

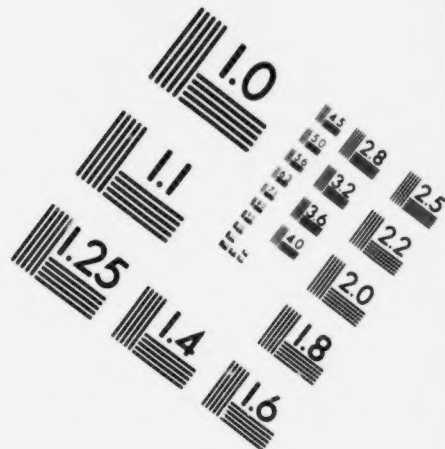
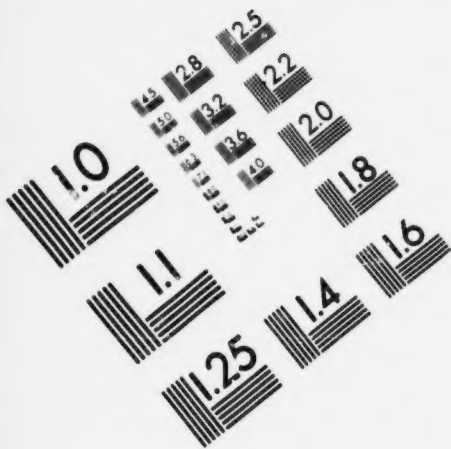
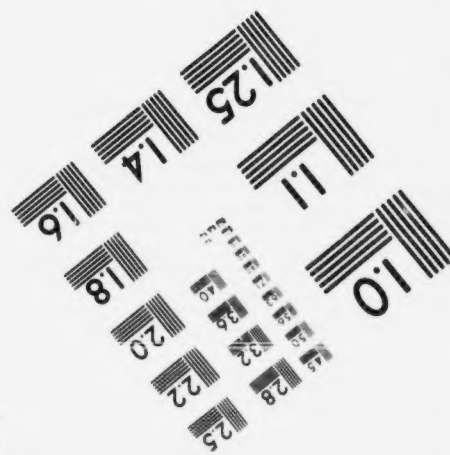
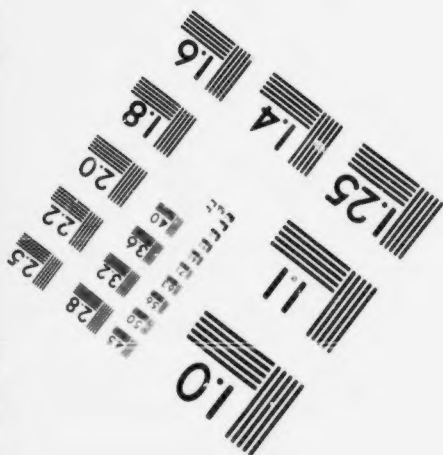
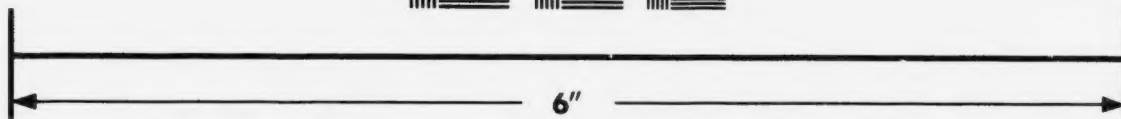
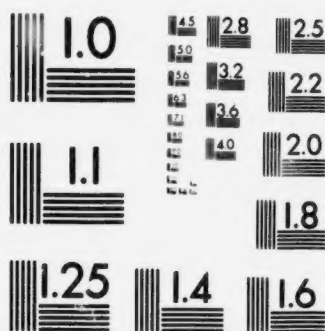


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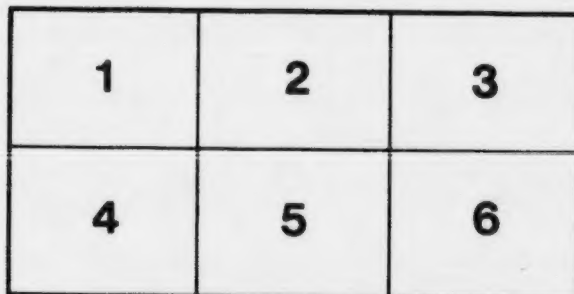
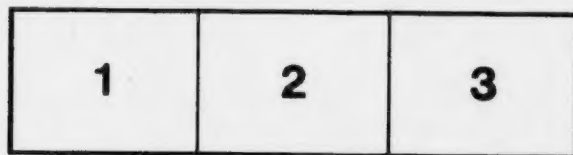
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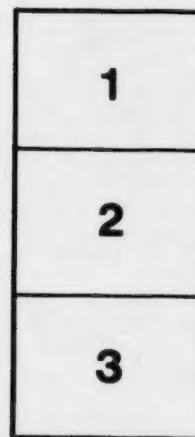
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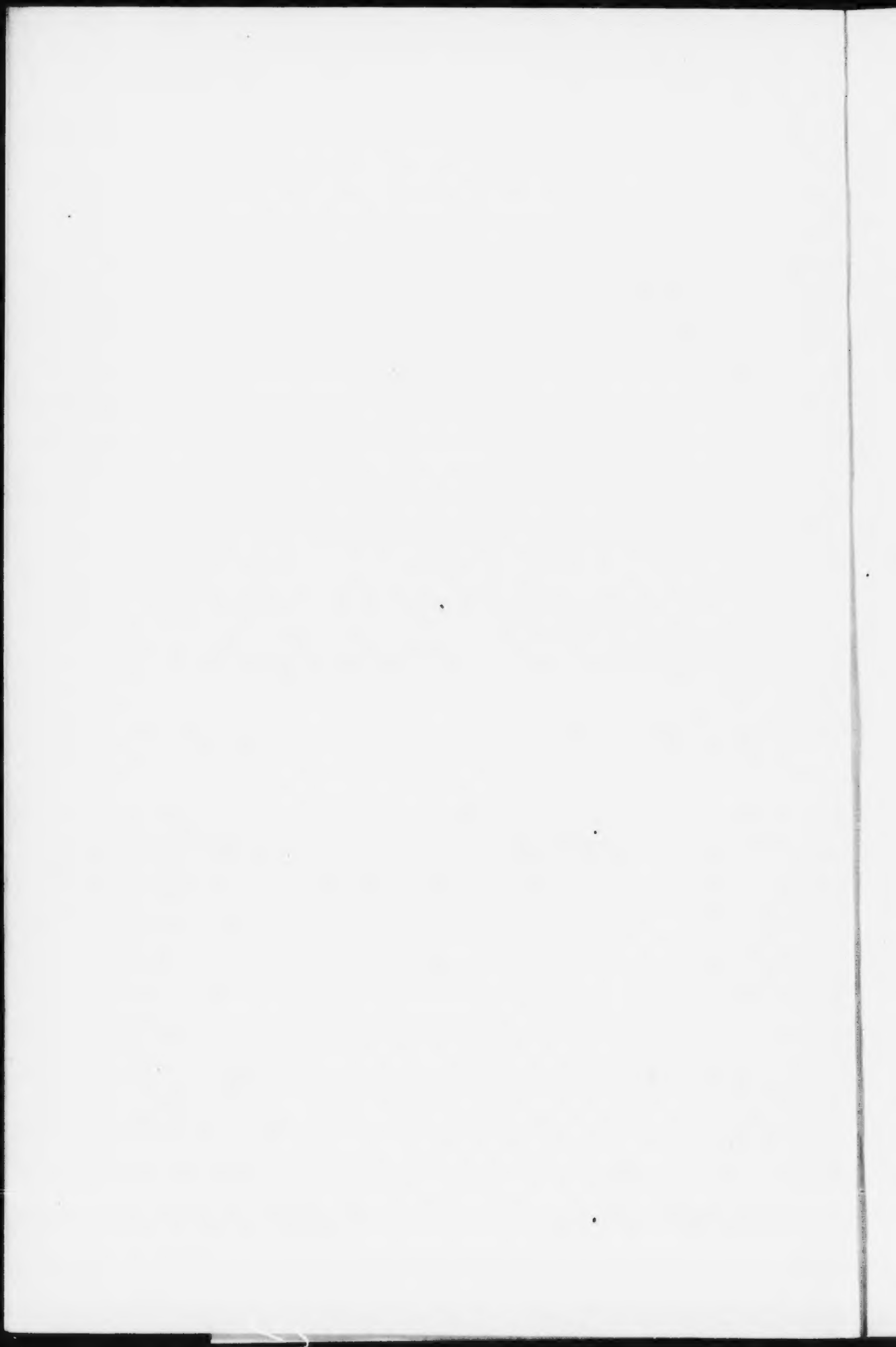
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THE BANK ACT

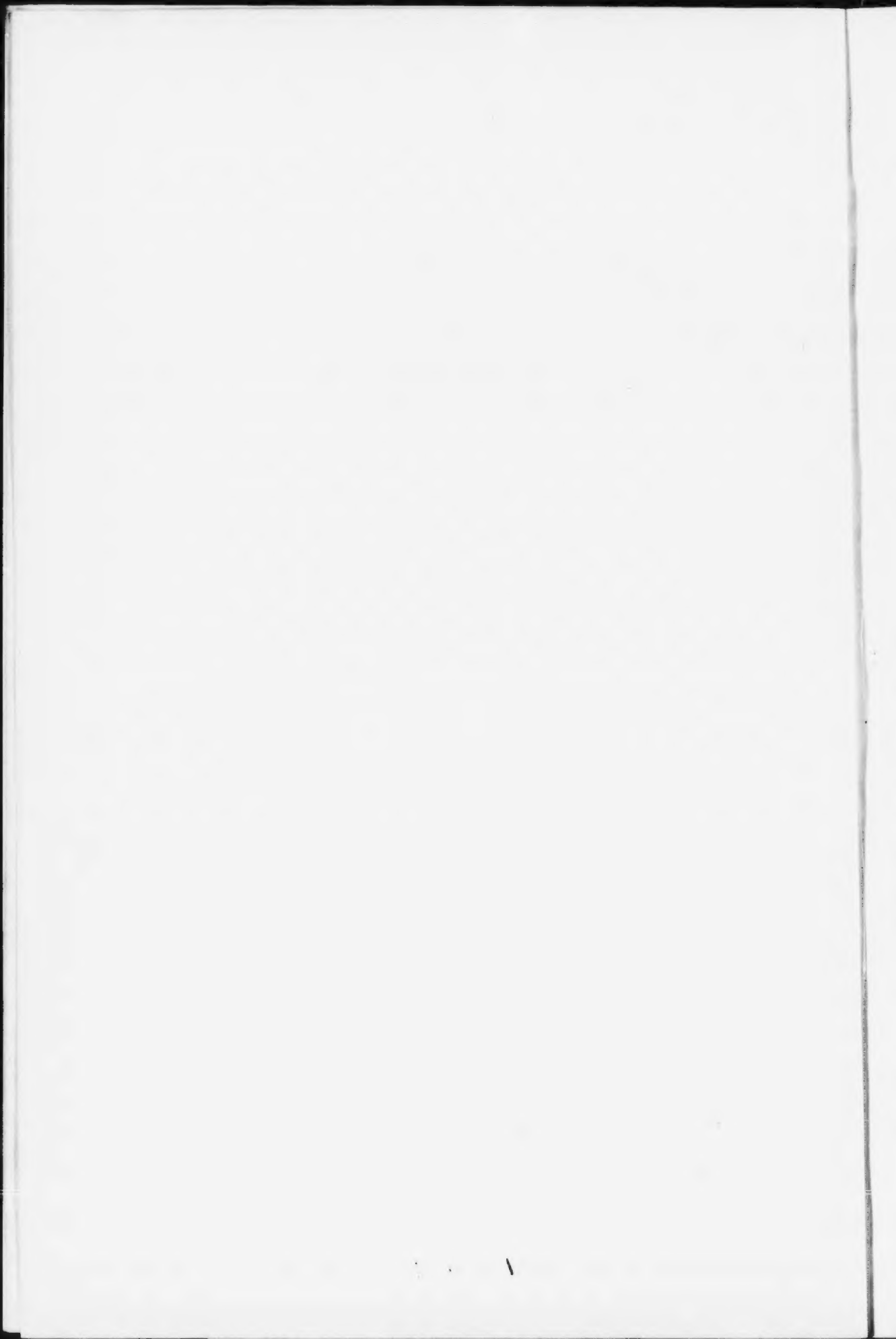
... AND ...

AMENDMENTS

CHAPTER 31 OF 1890, CHAPTER 14 OF 1899,
AND CHAPTERS 26 AND 27 OF 1900

TO WHICH IS APPENDED
AN ACT TO INCORPORATE THE CANADIAN BANKERS' ASSOCIATION

JOURNAL OF THE CANADIAN BANKERS' ASSOCIATION,
TORONTO
1900



THE BANK ACT

AND

AMENDMENTS

A consolidation of chapter 31 of the Statutes of 1890, intituled "An Act respecting Banks and Banking," and the amending Acts, chapter 14 of the Statutes of 1899, and chapters 26 and 27 of the Statutes of 1900.

HER MAJESTY, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :

SHORT TITLE

1. This Act may be cited as *The Bank Act*.—1890, c. 31, s. 1. Short title.

INTERPRETATION

2. In this Act, unless the context otherwise requires,—

(a) The expression "the bank" means any bank to which this Act applies ;

Interpreta-
tion.
"The Bank."

(b) The expression "Treasury Board" means the board provided for by section nine of chapter twenty-eight of the Revised Statutes of Canada, or any Act in amendment thereof or substitution therefor ;

"Treasury
Board."

(c) The expression "goods, wares and merchandise" includes in addition to the things usually understood thereby, timber, deals, boards, staves, saw logs and other lumber, petroleum, crude oil, and all agricultural produce and other articles of commerce ;

"Goods,
wares and
merchandise."

(d) The expression "warehouse receipt" means any receipt given by any person for any goods, wares, or merchandise, in his actual, visible and continued possession, as bailee thereof, in good faith, and not as of his own property, and includes receipts given by any person who is the owner or keeper of a harbor, cove, pond, wharf, yard, warehouse, shed, storehouse or other place for the storage of goods, wares or merchandise, for goods, wares and merchandise delivered to him as bailee and actually in the place or in one or more of the places owned or kept by him, whether such person is engaged in other business or not, (and also includes receipts given by any person in charge of logs or timber in transit from timber limits, or other lands, to their place of destination—c. 26, 1900, sec. 3) ;

"Warehouse
receipt."

(e) The expression "bill of lading" includes all receipts for goods, wares or merchandise, accompanied by an undertaking to transport the same from the place where they were received to some other place, whether by land or water, or partly by land and partly by water, and by any mode of carriage whatever ;

"Bill of lad-
ing."

(f) The word "manufacturer" includes maltsters, distillers, brewers, refiners and producers of petroleum, tanners, curers, packers, canners of meat, pork, fish, fruit or vegetables and any person who produces by hand, art, process or mechanical means any goods, wares or merchandise, (and also includes a manufacturer of logs, timber or lumber—c. 26, 1900, s. 3. [2]).

"Manufac-
turer."

APPLICATION OF ACT

To what
banks the Act
applies.

3. The provisions of this Act apply to the several banks enumerated in Schedule A to this Act, and to every bank incorporated after the first day of January, in the year one thousand eight hundred and ninety, whether this Act is specially mentioned in its Act of incorporation or not, but not to any other bank, except as hereinafter specially provided.—1890, c. 31, s. 3.

Act to
apply to
certain banks
not in
schedule A.

C. 26, 1900 (5). The provisions of this Act and of any amendment thereof shall continue to apply to any bank which is included in Schedule A to *The Bank Act*, and not in Schedule A to this Act, but such provisions shall continue to apply to any such bank only in so far as may be necessary to wind up the business thereof, and the charter or Act of incorporation of such bank, and any Act in amendment thereof, or any Act in relation to such bank, now in force, shall continue in force for such purpose and for such purpose only.

Bank charters
continued to
1st July, 1911
in certain
particulars.

As to other
particulars.

Proviso.

C. 26, 1900 (6). The charters or Acts of incorporation, and any Acts in amendment thereof, of the several banks enumerated in schedule A to this Act are continued in force, so far as regards the incorporation and corporate name, the amount of capital stock (as authorized at the time of the passing of this Act), the amount of each share of such stock and the chief place of business of each bank, until the first day of July, in the year one thousand nine hundred and eleven, subject to the right of each bank to increase or reduce its capital stock in the manner provided by *The Bank Act*; and as to all other particulars the provisions of all such charters, Acts of incorporation, and Acts in amendment thereof are repealed, and *The Bank Act* and any amendment thereof and this Act form and are the charter of each of the said banks until the said first day of July, in the year one thousand nine hundred and eleven: Provided always, that the said charters or Acts of incorporation and Acts in amendment thereof are hereby continued in force only in so far as they, or any of them, are not forfeited or rendered void under the terms thereof, or of *The Bank Act*, or of this Act, or of any other Act passed or to be passed, by reason of the non-performance of the conditions thereof, or by insolvency, or otherwise. (*Substituted for* c. 31, 1890, sec. 4).

What provi-
sions shall
apply to La
Banque du
Peuple.

Proviso: as to
directors.

Inconsistent
enactments
repealed.

5. All the provisions of this Act, except those contained in sections 3, 6 to 17 (both inclusive), 19 to 27 (both inclusive), 33, 45 and 89 to 96 (both inclusive), apply to La Banque du Peuple: Provided, that wherever the word "directors" is used in any of the sections which apply to the said bank, it shall be read and construed as meaning the principal partners or members of the corporation of the said bank; and so much of the Act incorporating the said bank or of any Act amending or continuing it, as is inconsistent with any section of this Act applying to the said bank, or which makes any provision in any matter provided for by such sections other than such as is hereby made, is hereby repealed; otherwise the said Acts are continued in force, subject to the proviso contained in section 4 of this Act.—1890, c. 31, s. 5.

6. The provisions contained in sections 2, 7, 37, 47 to 88 (both inclusive), apply to the Bank of British North America and the Bank of British Columbia respectively; and the provisions contained in the other sections of this Act do not apply to the said banks.—1890, c. 31, s. 6. (*The provisions of c. 26, 1900, with the exception of secs. 4, 5, 6, 8 and 9, also apply to these banks*).

What provisions shall apply to the Banks of British North America and of B. C.

7. For the purposes of the several sections of this Act made applicable to the Bank of British North America and the Bank of British Columbia, the chief office of the Bank of British North America shall be the office of the bank at Montreal, in the Province of Quebec, and the chief office of the Bank of British Columbia shall be the office of the bank at Victoria, in the Province of British Columbia.—1890, c. 31, s. 7.

Chief seat of business of the said banks.

8. 1890, c. 31, s. 8. *No longer in force.*

INCORPORATION AND ORGANIZATION OF BANKS

9. The capital stock of every bank hereafter incorporated, the name of the bank, the place where its chief office is to be situate, and the name of the provisional directors shall be declared in the Act of incorporation of every such bank.

Matters to be provided for in special Act.

2. An Act of incorporation of a bank in the form set forth in Schedule B to this Act shall be construed to confer upon the bank thereby incorporated all the powers, privileges and immunities, and to subject it to all the liabilities and provisions set forth in this Act.—1890, c. 31, s. 9.

Form of Act of incorporation.

10. The capital stock of any bank hereafter incorporated shall be not less than five hundred thousand dollars, and shall be divided into shares of one hundred dollars each.—1890, c. 31, s. 10.

Capital stock and shares.

11. The number of provisional directors shall be not less than five nor more than ten, and they shall hold office until directors are elected by the subscribers to the stock, as hereinafter provided.—1890, c. 31, s. 11.

Provisional directors.

12. For the purpose of organizing the bank, the provisional directors may cause stock books to be opened, after giving public notice thereof,—upon which stock books shall be recorded the subscriptions of such persons as desire to become shareholders in the bank; and such books shall be opened at the place where the chief office of the bank is to be situate, and elsewhere, in the discretion of the provisional directors, and may be kept open for such time as they deem necessary.—1890, c. 31, s. 12.

Opening of stock books.

13. So soon as a sum not less than five hundred thousand dollars of the capital stock of the bank has been *bona fide* subscribed, and a sum not less than two hundred and fifty thousand dollars thereof has been paid to the Minister of Finance and Receiver General, the provisional directors may, by public notice published for at least four weeks, call a meeting of the subscribers to the said stock, to be held in the place named in the Act of incorporation as the chief place of business of the bank, at such time and at such place therein as set forth in the said notice; at which meeting the subscribers shall determine the day upon which the annual general meeting of the bank is to be held, and shall elect such number of

First meeting of subscribers.

Notice.

Election of directors.

directors, duly qualified under this Act, not less than five nor more than ten, as they think necessary, who shall hold office until the annual general meeting in the year next succeeding their election; and upon the election of directors as aforesaid the functions of the provisional directors shall cease.—1890, c. 31, s. 13.

Conditions
previous to
commencing
business by
new banks.

14. The bank shall not issue notes nor commence the business of banking until it has obtained from the Treasury Board a certificate permitting it to do so, and no application for such certificate shall be made until directors have been elected by the subscribers to the stock in the manner hereinbefore provided; and every director, provisional director or other person, issuing or authorizing the issue of the notes of such bank or transacting or authorizing the transaction of any business in connection with such bank, except such as is hereinbefore provided, before the obtaining of the certificate from the Treasury Board, shall be guilty of an offence against this Act.—1890, c. 31, s. 14.

When certificate
may be
granted.

15. No certificate shall be given by the Treasury Board until it has been shown to the satisfaction of the Board, by affidavit or otherwise, that all the requirements of this Act and of the special Act of incorporation of the bank, as to the payment required to be made to the Minister of Finance and Receiver General, the election of directors, deposit for security for note issue, or otherwise, have been complied with, and that the sum so paid was then held by the Minister of Finance and Receiver General; and no certificate as aforesaid shall be given except within one year from the passing of the Act of incorporation of the bank applying for the said certificate.—1890, c. 31, s. 15.

If certificate
is not granted.

16. In the event of the bank not obtaining a certificate from the Treasury Board within one year from the time of the passing of its Act of incorporation, all the rights, powers and privileges conferred on such bank by its Act of incorporation, shall thereupon cease and determine and be of no force and effect whatever.—1890, c. 31, s. 16.

Disposal of
amount de-
posited with
Minister of
Finance.

17. Upon the issue of the certificate in manner hereinbefore provided, the Minister of Finance and Receiver General shall forthwith pay to the bank the amount of money so deposited with him as aforesaid, without interest, after deducting therefrom the amount required to be deposited under section 54 of this Act; and in case no certificate is issued by the Treasury Board within the time limited for the issue thereof, the amount so deposited shall be returned to the person depositing the same; but in no case shall the Minister of Finance and Receiver General be under any obligation to see to the proper application of the same in any way.—1890, c. 31, s. 17.

INTERNAL REGULATIONS.

By-laws may
be made.

18. The shareholders of the bank (or, in the case of La Banque du Peuple, the principal partners or members of the corporation thereof), may regulate by by-law, the following matters incident to the management and administration of the affairs of the bank, that is to say: The day upon which the annual general meeting of the shareholders for the election of directors shall

be held; the record to be kept of proxies, and the time, not exceeding thirty days, within which proxies must be produced and recorded prior to a meeting in order to entitle the holder to vote thereon; the number of the directors, which shall not be less than five and not more than ten, and the quorum thereof, which shall not be less than three; their qualification, subject to the provisions hereinafter made; the method of filling vacancies in the board of directors whenever the same occur during each year, and the time and proceedings for the election of directors, in case of a failure of any election on the day appointed for it; the remuneration of the president, vice-president, and other directors; and the amount of discounts or loans which may be made to directors, either jointly or severally, or to any one firm or person, or to any shareholder, or to corporations.

2. The shareholders may authorize the directors to establish guarantee and pension funds for the officers and employees of the bank and their families, and to contribute thereto out of the funds of the bank.

Guarantee
and pension
funds.

3. Until it is otherwise prescribed by by-law under this section, the by-laws of the bank on any matter which may be regulated by by-law under this section shall remain in force, except as to any provision fixing the qualification of directors at an amount less than that prescribed by this Act; and no person shall be elected or continue to be a director unless he holds stock paid up to the amount required by this Act, or such greater amount as is required by any by-law in that behalf.

Certain by-
laws con-
tinued.

4. The foregoing provisions of this section, touching directors, shall not apply to La Banque du Peuple, which shall in these matters be governed by the provisions of its charter.—1890, c. 31, s. 18.

Banque du
Peuple ex-
cepted.

19. The stock, property, affairs and concerns of the bank shall be managed by a board of directors, who shall be elected annually in manner hereinafter provided, and shall be eligible for re-election.

Board of
directors.

2. Each director shall hold capital stock of the bank as follows:—When the paid up capital stock is one million dollars or less, each director shall hold stock on which not less than three thousand dollars has been paid up; and when the paid-up capital stock is over one million dollars and does not exceed three million dollars, each director shall hold stock on which not less than four thousand dollars has been paid up; and when the paid-up capital stock exceeds three million dollars, each director shall hold stock on which not less than five thousand dollars has been paid up.

Qualification.

3. A majority of the directors shall be natural born or naturalized subjects of Her Majesty.

Majority to be
British sub-
jects.
Election.

4. The directors shall be elected by the shareholders on such day in each year as is appointed by the charter or by any by-law of the bank, and such election shall take place at the head office of the bank at such time of the day as the directors appoint; and public notice thereof shall be given by the directors, by publishing the same for at least four weeks previous to the time of holding such election, in a newspaper published at the place where the said head office is situate.

Notice.

Who shall be directors

5. The persons, to the number authorized to be elected, who have the greatest number of votes at any election, shall be directors.

Provision in case of equality of votes.

6. If it happens at any election that two or more persons have an equal number of votes and the election or non-election of one or more of such persons as a director or directors depends on such equality, then the directors who have a greater number, or the majority of them, shall determine which of the said persons so having an equal number of votes shall be the director or directors, so as to complete the full number; and the said directors, as soon as may be, after the said election, shall proceed to elect, by ballot, two of their number to be president and vice-president, respectively.

Election of president, &c.

Vacancies, how filled.

7. If a vacancy occurs in the board of directors, such vacancy shall be filled in the manner provided by the by-laws; but the non-filling of the vacancy shall not vitiate the acts of a quorum of the remaining directors, and if the vacancy so created is in the office of the president or vice-president, the directors shall, from among themselves, elect a president or vice-president, who shall continue in office for the remainder of the year.—1890, c. 31, s. 19.

Provision in case of failure of election.

20. If an election of directors is not made on the day appointed for that purpose such election of directors may take place on any other day according to the by-laws made by the shareholders in that behalf; and the directors then in office shall remain in office until a new election is made.—1890, c. 31, s. 20.

Meetings of directors.

21. At all meetings of the directors, the president or in his absence the vice-president, or in the absence of both of them, one of the directors present, chosen to act *pro tempore*, shall preside; and the president, vice-president or president *pro tempore* so presiding shall vote as a director, and if there is an equal division on any question shall also have a casting vote.—1890, c. 31, s. 21.

Casting vote of presiding director.

General powers of directors.

22. The directors may make by-laws and regulations (not repugnant to the provisions of this Act or the laws of Canada) touching the management and disposition of the stock, property, affairs and concerns of the bank, and touching the duties and conduct of the officers, clerks and servants employed therein, and all such other matters as appertain to the business of a bank: Provided always, that all by-laws of the bank heretofore lawfully made and now in force, in regard to any matter respecting which the directors may make by-laws under this section (including any by-laws for establishing guarantee and pension funds for the employees of the bank), shall remain in force until they are repealed or altered by others made under this Act.—1890, c. 31, s. 22.

Proviso: as to by-laws in force.

Appointment of officers, &c.

23. The directors may appoint as many officers, clerks and servants for carrying on the business of the bank, and with such salaries and allowances as they consider necessary, and they may also appoint a director or directors for any branch of the bank.

Security to be given.

2. Before permitting any cashier, officer, clerk or servant of

the bank to enter upon the duties of his office, the directors shall require him to give bond, guarantee, or other security to the satisfaction of the directors, for the due and faithful performance of his duties.—1890, c. 31, s. 23.

24. The directors of the bank or any four of them,—or any number not less than twenty-five of the shareholders of the bank, who are together proprietors of at least one-tenth of the paid-up capital stock of the bank, by themselves or by their proxies,—may at any time call a special general meeting of the shareholders, to be held at their usual place of meeting, upon giving six weeks' previous public notice, specifying in such notice the object of such meeting.

Special general meetings

2. If the object of any such special general meeting is to consider the proposed removal of the president or vice-president, or of a director of the bank, for maladministration or other specified and apparently just cause, and if a majority of the votes of the shareholders at such meeting is given for such removal, a director to replace him shall be elected or appointed in the manner provided by the by-laws of the bank, or if there are no by-laws providing therefor, then by the shareholders at such meeting; and if it is the president or vice-president who is removed, his office shall be filled by the directors in the manner provided in case of a vacancy occurring in the office of president or vice-president.—1890, c. 31, s. 24.

Removal of president, director, &c.

New election.

25. Every shareholder shall, on all occasions on which the votes of the shareholders are taken, have one vote for each share held by him for at least thirty days before the time of meeting; and in all cases where the votes of the shareholders are taken, the voting shall be by ballot.

Votes on shares.

Ballot.

2. All questions proposed for the consideration of the shareholders shall be determined by the majority of the votes of the shareholders present in person or represented by proxy; and the chairman elected to preside at any such meeting of the shareholders shall vote as a shareholder only, unless there is a tie,—in which case, except as to the election of a director, he shall have a casting vote.

Majority to determine.

Casting vote.

3. If two or more persons are joint holders of shares, any one of such joint holders may be empowered, by letter of attorney from the other joint holder or holders, or a majority of them, to represent the same shares, and vote accordingly.

As to joint holders of shares.

4. Shareholders may vote by proxy, but no person other than a shareholder eligible to vote shall be permitted to vote or act as such proxy, and no manager, cashier, clerk or other subordinate officer of the bank shall vote either in person or by proxy, or hold a proxy for that purpose.

Proxies.

5. No appointment of a proxy to vote at any meeting of the shareholders of the bank shall be valid for that purpose unless it has been made or renewed in writing within the two years next preceding the time of such meeting.

Renewal of proxies.

6. No shareholder shall vote, either in person or by proxy, on any question proposed for the consideration of the shareholders of the bank at any meeting of such shareholders, or in any case in which the votes of the shareholders of the bank are taken,

In certain cases calls must be paid before voting.

unless he has paid all calls made by the directors which are then due and payable.—1890, c. 31, s. 25.

CAPITAL STOCK.

Increase of capital.

26. The capital stock of the bank may be increased from time to time, by such percentage or by such amount as is determined upon by by-law passed by the shareholders, at the annual general meeting, or at any special general meeting called for the purpose: Provided always, that no such by-law shall come into operation or be of any force or effect, unless and until a certificate approving thereof has been issued by the Treasury Board.

Approval of Treasury Board.

Conditions of application for approval.

2. No such certificate shall be issued by the Treasury Board unless application therefor is made within three months from the time of the passing of such by-law, nor unless it appears to the satisfaction of the Treasury Board that a copy of such by-law, together with the notice of intention to apply for such certificate, has been published for at least four weeks in the *Canada Gazette*, and in one or more newspapers published in the place where the chief office or place of business of the bank is situated; nothing herein contained, however, shall be construed to prevent the Treasury Board from refusing to issue such certificate if it thinks best so to do.—1890, c. 31, s. 26.

How stock shall be allotted.

27. Any of the original unsubscribed capital stock, or of the increased stock of the bank, shall, when the directors so determine, be allotted to the then shareholders of the bank *pro rata*, and at such rate as is fixed by the directors, but no fraction of a share shall be so allotted; provided that in no case shall a rate be fixed by the directors, which will make the premium (if any) paid or payable on such stock so allotted exceed the percentage which the reserve fund of the bank then bears to the paid up capital stock thereof; and any of such allotted stock which is not taken up by the shareholder to whom such allotment has been made, within six months from the time when notice of the allotment was mailed to his address, or which he declines to accept, may be offered for subscription to the public, in such manner and on such terms as the directors prescribe.—1890, c. 31, s. 27.

Capital Stock may be reduced.

28. The capital stock of the bank may be reduced by by-law passed by the shareholders at the annual general meeting, or at a special general meeting called for the purpose; but no such by-law shall come into operation or be of force or effect until a certificate approving thereof has been issued by the Treasury Board.

Certificate of Treasury Board.

2. No such certificate shall be issued by the Treasury Board unless application therefor is made within three months from the time of the passing of the by-law, nor unless it appears to the satisfaction of the Board that the shareholders voting for such by-law represent a majority in value of all the shares then issued by the bank, and that a copy of the by-law, together with notice of intention to apply to the Treasury Board for the issue of a certificate approving thereof, has been published for at least four weeks in the *Canada Gazette*, and in one or more newspapers published in the place where the chief office or place of business of the bank is situated; nothing herein contained, however, shall be construed to prevent the Treasury Board from refusing to issue such certificate if it thinks best so to do.

3. In addition to evidence of the passing of the by-law and the publication thereof in the manner above provided, statements showing the amount of stock issued and the number of shareholders, with the amount of stock held by each, represented at such meeting, and the number of shareholders, with the amount of stock held by each, who voted for such by-law, and also full statements of the assets and liabilities of the bank, together with a statement of the reasons and causes why such reduction is sought, shall be laid before the Treasury Board at the time of the application for the issue of a certificate approving such by-law. Statements to be submitted.
4. The passing of such by-law, and any reduction of the capital stock of the bank thereunder, shall not, in any way, diminish or interfere with the liability of the shareholders of the bank to the creditors thereof at the time of the issue of the certificate approving such by-law. Reduction not to affect liability of shareholders.
5. If, in any case, legislation is sought to sanction any reduction of the capital stock of any bank, a copy of the by-law or resolution passed by the shareholders in regard thereto, together with statements similar to those above provided to be laid before the Treasury Board, shall be filed with the Minister of Finance and Receiver General at least one month prior to the introduction into Parliament of the Bill relating to such reduction. If legislation is asked to sanction reduction.
6. The capital shall not be reduced below the amount of two hundred and fifty thousand dollars of paid-up stock.—1890, c. 31, s. 28. Limit to reduction.

SHARES AND CALLS

29. The shares of the capital stock of the bank shall be personal estate, and shall be assignable and transferable at the chief place of business of the bank, or at such of its branches, or at such place or places in the United Kingdom, or in any of the British colonies or possessions, and according to such form, and subject to such rules and regulations, as the directors prescribe; and books of subscription may be opened, and the dividends accruing on any shares of such stock may be made payable at any of the places aforesaid; and the directors may appoint such agents in the United Kingdom, or in any of the British colonies or possessions, for the purposes of this section as they deem necessary.—1890, c. 31, s. 29. Shares and transfer thereof.

Books of subscription.
30. The shares of the capital stock shall be paid in by such instalments and at such times and places as the directors appoint: Provided always, that the directors may cancel any subscription for any share unless a sum equal to ten per cent. at least on the amount subscribed for is actually paid at the time of, or within thirty days after the time of subscribing; but such cancellation shall not relieve the subscriber from his liability to creditors in the event of insolvency as hereinafter provided.—1890, c. 31, s. 30. Payment of shares.

Proviso: ten per cent. payable on subscription.
31. The directors may make such calls of money from the several shareholders for the time being, upon the shares subscribed for by them respectively, as they find necessary. Calls on shares.
2. Such calls shall be made at intervals of not less than thirty days, and upon notice to be given at least thirty days prior to the day on which such call shall be payable; and no such call shall exceed ten per cent. of each share subscribed.—1890, c. 31, s. 31. Time of calls and notice.
Limitation.

Recovery of
calls.

32. The directors may, in case of the non-payment of any call, in the corporate name of the bank, sue for, recover, collect and get in all such calls, or may cause and declare such shares to be forfeited to the bank.—1890, c. 31, s. 32.

Forfeiture of
shares for
non-payment
of calls.

Sale in such
case.

And transfer.

Proviso.

33. If any shareholder refuses or neglects to pay any instalment upon his shares of the capital stock at the time appointed therefor, such shareholder shall incur a penalty to the use of the bank of a sum of money equal to ten per cent. on the amount of such shares; and if the directors declare any shares to be forfeited to the bank, they shall, within six months thereafter, without any previous formality other than thirty days' public notice of their intention so to do, sell at public auction the said shares, or so many of the said shares as shall, after deducting the reasonable expenses of the sale, yield a sum of money sufficient to pay the unpaid instalments due on the remainder of the said shares and the amount of penalties incurred upon the whole; and the president or vice-president, manager or cashier of the bank shall execute the transfer to the purchaser of the shares so sold; and such transfer shall be as valid and effectual in law as if it had been executed by the original holder of the shares thereby transferred; but the directors, or the shareholders at a general meeting may, notwithstanding anything in this section contained, remit either in whole or in part, and conditionally or unconditionally, any forfeiture or penalty incurred by the non-payment of instalments as aforesaid, or the bank may enforce the payment of any call or calls by suit, instead of declaring the shares forfeited. 1890, c. 31, s. 33.

Recovery by
suit.

What only
need be
proved.

34. In any action brought to recover any money due on any such call it shall not be necessary to set forth the special matter in the declaration or statement of claim, but it shall be sufficient to allege that the defendant is holder of one share or more, as the case may be, in the capital stock of the bank, and is indebted to the bank for a call or calls upon such share or shares, in the sum to which the call or calls amount, as the case may be, stating the amount and number of such calls, whereby an action has accrued to the bank to recover the same from such defendant by virtue of this Act; and it shall not be necessary to prove the appointment of the directors.—1890, c. 31, s. 34.

TRANSFER AND TRANSMISSION OF SHARES

Conditions of
transfer of
shares.

Fraction of
share not
transferable.

List of trans-
fers to be kept.

35. No assignment or transfer of the shares of the capital stock of the bank shall be valid unless it is made and registered and accepted by the person to whom the transfer is made, in a book or books kept for that purpose, nor unless the person making the same has, if required by the bank, previously discharged all his debts or liabilities to the bank which exceed in amount the remaining stock, if any, belonging to such person, valued at the then current rate; and no fractional part of a share, or less than a whole share, shall be assignable or transferable.—1890, c. 31, s. 35.

36. A list of all transfers of shares registered each day in the books of the bank, showing the parties to such transfers and the number of shares transferred in each case, shall be made up at the end of each day and kept at the chief place of business of the bank for the inspection of its shareholders.—1890, c. 31, s. 36.

37. All sales or transfers of shares, and all contracts and agreements in respect thereof, hereafter made or purporting to be made, shall be null and void (saving however, as to a purchaser not having knowledge of the defect, his rights and remedies under the contract of sale), unless the person making such sale or transfer, or in whose name or on whose behalf the same is made, is at the time thereof the registered owner in the books of the bank of the share or shares so sold or transferred, or intended or purported so to be, or has the registered owner's assent to the sale; and the distinguishing number or numbers of such share or shares, if any, shall be designated in the contract or agreement of sale or transfer; and any person, whether principal, broker or agent, who violates the provisions of this section by wilfully selling or transferring, or attempting to sell or transfer, any share or shares by a false number, or of which the principal is not, at the time of such sale or attempted sale, the registered owner, or acting with the registered owner's assent to the sale, shall be guilty of an offence against this Act.—1890, c. 31, s. 37.

Transferrer of shares must be registered owner.

38. When any share of the capital stock has been sold under a writ of execution, the officer by whom the writ was executed shall, within thirty days after the sale, leave with the bank an attested copy of the writ, with the certificate of such officer endorsed thereon, certifying to whom the sale has been made; and thereupon (but not until after all debts and liabilities of the holder of the share to the bank, and all liens existing in favour of the bank thereon, have been discharged, as herein provided), the president, vice-president, manager or cashier of the bank, shall execute the transfer of the share so sold to the purchaser; and such transfer shall be, to all intents and purposes, as valid and effectual in law as if it had been executed by the holder of the said share.—1890, c. 31, s. 38.

Sale of shares under execution.

39. If the interest in any share in the capital stock becomes transmitted in consequence of the death, bankruptcy, or insolvency of any shareholder, or in consequence of the marriage of a female shareholder, or by any other lawful means than by a transfer according to the provisions of this Act, such transmission shall be authenticated by a declaration in writing, as hereinafter mentioned, or in such other manner as the directors of the bank require; and every such declaration shall distinctly state the manner in which and the person to whom such shares have been transmitted, and shall be made and signed by such person; and the person making and signing such declaration shall acknowledge the same before a judge of a court of record, or before the mayor, provost or chief magistrate of a city, town, borough or other place, or before a notary public, where the same is made and signed; and every declaration so signed and acknowledged shall be left with the cashier, manager or other officer or agent of the bank, who shall thereupon enter the name of the person entitled under such transmission in the register of shareholders; and until such transmission has been so authenticated, no person claiming by virtue of any such transmission shall be entitled to participate in the profits of the bank, or to vote in respect of any such share of the capital stock: Provided always, that every such declaration and instrument as, by this and the next following section of this Act,

Transmission of shares otherwise than by transfer, how authenticated.

Proviso : as to
declaration
made out of
Canada, &c.

Proviso : fur-
ther evidence
may be re-
quired.

Transmission
by marriage
of female
shareholder.

Transmission
by decease.

Further pro-
vision in such
case.

are required to perfect the transmission of a share in the bank which is made in any country other than Canada, or any other British colony, or the United Kingdom, shall be further authenticated by the clerk of a court of record and under the seal of such court, or by the British consul or vice-consul, or other accredited representative of the British Government in the country where the declaration is made, or shall be made directly before such British consul or vice-consul, or other accredited representative; and provided also, that the directors, cashier or other officer or agent of the bank may require corroborative evidence of any fact alleged in any such declaration.—1890, c. 31, s. 39.

40. If the transmission of any share of the capital stock has taken place by virtue of the marriage of a female shareholder, the declaration shall be accompanied by a copy of the register of such marriage, or other particulars of the celebration thereof, and shall declare the identity of the wife with the holder of such share, and shall be made and signed by such female shareholder and her husband; and they may include therein a declaration to the effect that the share transmitted is the separate property and under the sole control of the wife, and that she may receive and grant receipts for the dividends and profits accruing in respect thereof, and dispose of and transfer the share itself, without requiring the consent or authority of her husband; and such declaration shall be binding upon the bank and persons making the same, until the said persons see fit to revoke it by a written notice to that effect to the bank; but the omission of a statement in any such declaration that the wife making the same is duly authorized by her husband to make the same shall not invalidate the declaration.—1890, c. 31, s. 40.

41. If the transmission has taken place by virtue of any testamentary instrument, or by intestacy, the probate of the will, or the letters of administration, or act of curatorship or tutorship, or an official extract therefrom, shall, together with such declaration, be produced and left with the cashier or other officer or agent of the bank, who shall, thereupon, enter in the register of shareholders the name of the person entitled under such transmission.—1890, c. 31, s. 41.

42. If the transmission of any share of the capital stock has taken place by virtue of the decease of any shareholder, the production to the directors and the deposit with them of an authentic notarial copy of the will of the deceased shareholder, if such will is in notarial form according to the law of the Province of Quebec, or of any authenticated copy of the probate of the will of the deceased shareholder, or of letters of administration of his estate, or of letters of verification of heirship, or of the act of curatorship or tutorship, granted by any court in Canada having power to grant the same, or by any court or authority in England, Wales, Ireland, or any British colony, or of any testamentary or testamentary dative expedite in Scotland, or, if the deceased shareholder died out of Her Majesty's dominions, the production to and deposit with the directors of any authenticated copy of the probate of his will or letters of administration of his property, or other document of like import, granted by any court or authority having the requisite power in such matters, shall be sufficient justification and authority to the directors for paying any dividend, or for

transferring or authorizing the transfer of any share in pursuance of and in conformity to such probate, letters of administration, or other such document as aforesaid.—1890, c. 31, s. 42.

43. The bank shall not be bound to see to the execution of any trust, whether express, implied or constructive, to which any share of its stock is subject; and the receipt of the person in whose name any such share stands in the books of the bank, or, if it stands in the name of more persons than one, the receipt of one of such persons shall be a sufficient discharge to the bank for any dividend or any other sum of money payable in respect of such share, unless express notice to the contrary has been given to the bank; and the bank shall not be bound to see to the application of the money paid upon such receipt, whether given by one of such persons or all of them.—1890, c. 31, s. 43.

Bank not bound to see to trusts.

44. No person holding stock in the bank as executor, administrator, guardian, trustee, tutor or curator of or for any estate, trust or person named in the books of the bank as being so represented by him, shall be personally subject to any liability as a shareholder, but the estate and funds in his hands shall be liable in like manner and to the same extent as the testator, intestate, ward or person interested in such estate and funds would be, if living and competent to hold the stock in his own name; and if the trust is for a living person, such person shall also himself be liable as a shareholder; but if such estate, trust or person so represented is not so named in the books of the bank, the executor, administrator, guardian, trustee, tutor or curator shall be personally liable in respect of such stock as if he held it in his own name as owner thereof.—1900, c. 26, s. 8. (*Substituted for 1890, c. 31, s. 44*).

Executors, etc., not personally liable.

Exception.

ANNUAL STATEMENT AND INSPECTION.

45. At every annual meeting of the shareholders for the election of directors, the out-going directors shall submit a clear and full statement of the affairs of the bank, containing on the one part,—

Statement to be laid before annual meeting.

The amount of the capital stock paid in, the amount of notes of the bank in circulation, the net profits made, the balances due to other banks, and the cash deposited in the bank, distinguishing deposits bearing interest from those not bearing interest: and on the other part,—

Liabilities.

The amount of the current coin, the gold and silver bullion, and the Dominion notes held by the bank, the balances due to the bank from other banks, the value of the real and other property of the bank, and the amount of debts owing to the bank, including and particularizing the amounts so owing upon bills of exchange, discounted notes, mortgages and other securities,—

Assets.

Exhibiting, on the one hand, the liabilities of, or the debts due by the bank, and on the other hand the assets and resources thereof; and the said statement shall also exhibit the rate and amount of the last dividend declared by the directors, the amount of reserved profits at the date of such statement, and the amount of debts due to the bank, over-due and not paid, with an estimate of the loss which will probably accrue thereon.

What statement shall show.

Further
statements to
shareholders.

2. The directors shall also submit to the shareholders such further statements of the affairs of the bank, other than statements with reference to the account of any person dealing with the bank, as the shareholders require by by-law passed at the annual general meeting, or at any special general meeting of the shareholders called for the purpose, and the statements so required shall be submitted at the annual general meeting, or at any special general meeting called for the purpose, or at such time and in such manner as is set forth in the by-law of the shareholders requiring such statements.—1890, c. 31, s. 45, *as amended by* 1900, c. 26, s. 9.

Inspection of
books, &c.

46. The books, correspondence and funds of the bank shall, at all times, be subject to the inspection of the directors; but no person, who is not a director, shall be allowed to inspect the account of any person dealing with the bank.—1890, c. 31, s. 46.

DIVIDENDS

Dividends.

47. The directors of the bank shall, subject to the provisions of this Act, declare quarterly or half yearly dividends of so much of the profits of the bank as to the majority of them seems advisable; and they shall give at least thirty days' public notice of the payment of such dividends previously to the date fixed for such payment; and they may close the transfer books during a certain time, not exceeding fifteen days, before the payment of each dividend.—1890, c. 31, s. 47.

Dividend not
to impair
capital.

Capital lost to
be made up.

Proviso.

Dividend
limited unless
there is a cer-
tain reserve.

48. No dividend or bonus shall ever be declared so as to impair the paid-up capital; and if any dividend or bonus is so declared or made payable, the directors who knowingly and wilfully concur therein shall be jointly and severally liable for the amount thereof as a debt due by them to the bank; and if any part of the paid-up capital is lost, the directors shall, if all the subscribed stock is not paid up, forthwith make calls upon the shareholders to an amount equivalent to such loss; and such loss and the calls shall be mentioned in the next return made by the bank to the Minister of Finance and Receiver General: Provided that, in any case in which the capital has been impaired as aforesaid, all net profits shall be applied to make good such loss.—1890, c. 31, s. 48.

49. No division of profits, either by way of dividends or bonus, or both combined, or in any other way, exceeding the rate of eight per cent. per annum, shall be made by the bank, unless after making the same, it has a rest or reserve fund equal to at least thirty per cent. of its paid-up capital; and all bad and doubtful debts shall be deducted before the amount of such rest is calculated.—1890, c. 31, s. 49.

RESERVES.

Part of reserve
to be in Do-
minion notes.

Penalty for
non-compli-
ance.

50. The bank shall hold not less than forty per cent. of its cash reserves in Dominion notes; and every bank holding at any time a less amount of its cash reserves in Dominion notes than is prescribed by this section shall incur a penalty of five hundred dollars for each and every violation of the provisions of this section.

2. The Minister of Finance and Receiver General shall make such arrangements as are necessary for insuring the delivery of Dominion notes to any bank, in exchange for an equivalent amount of specie, at the several offices at which Dominion notes are redeemable, in the cities of Toronto, Montreal, Halifax, St. John, N.B., Winnipeg, Charlottetown and Victoria, respectively; and such notes shall be redeemable at the office for redemption of Dominion notes in the place where such specie is given in exchange.—1890, c. 31, s. 50.

Supply of
Dominion
notes.

NOTE ISSUE.

51. The bank may issue and reissue notes payable to bearer on demand and intended for circulation; but no such note shall be for a sum less than five dollars, or for any sum which is not a multiple of five dollars, and the total amount of such notes, in circulation at any time, shall not exceed the amount of the unimpaired paid-up capital of the bank.

Amount and
denomination
of bank notes.

2. Notwithstanding anything contained in the next preceding sub-section, the total amount of such notes in circulation at any time of La Banque du Peuple and the Bank of British North America respectively shall not exceed seventy five per cent. of the unimpaired paid-up capital of such banks respectively, but each of such banks may issue such notes in excess of the said seventy-five per cent. upon depositing, with respect to such excess, with the Minister of Finance and Receiver General, in cash or bonds of the Dominion of Canada, an amount equal to the excess; provided always that in no case shall the total amount of the notes of either of the said banks in circulation at any time exceed the unimpaired paid-up capital of such bank; and the cash or bonds so deposited shall be available by the Minister of Finance and Receiver General for the redemption of notes issued in excess as aforesaid, in the event of the suspension of the said banks respectively.

Note issue of
Banque du
Peuple and
Bank of British
North
America.

3. If the total amount of the notes of the bank in circulation at any time exceeds the amount authorized by this section, the bank shall incur penalties as follows: If the amount of such excess is not over one thousand dollars, a penalty equal to the amount of such excess; if the amount of such excess is over one thousand dollars and is not over twenty thousand dollars, a penalty of one thousand dollars; if the amount of such excess is over twenty thousand dollars and is not over one hundred thousand dollars, a penalty of ten thousand dollars; if the amount of such excess is over one hundred thousand dollars and is not over two hundred thousand dollars, a penalty of fifty thousand dollars; and if the amount of such excess is over two hundred thousand dollars, a penalty of one hundred thousand dollars.

Penalties for
excess of cir-
culation.

4. All notes heretofore issued or reissued by the bank, and now in circulation, which are for a sum less than five dollars, or for a sum which is not a multiple of five dollars, shall be called in and cancelled as soon as practicable.—1890, c. 31, s. 51.

Notes under
\$5 to be called
in.

0. 14. 1899. Notwithstanding the provisions of section 51 of this Act, any bank to which this Act applies may issue and reissue, at any office or agency of the bank in any British colony or possession other than Canada, notes of the bank payable

Note issue at
agency in
British posses-
sion other
than Canada.

to bearer on demand and intended for circulation in such colony or possession, for the sum of one pound sterling each, or for any multiple of such sum, provided the issue or reissue of such notes is not forbidden by the laws of such colony or possession.

Redemption.

2. The notes so issued shall be redeemable at par at any office or agency of the bank in the colony or possession in which they are issued for circulation, and not elsewhere, except as in this section specially provided; and the place of redemption of such notes shall be legibly printed or stamped across the face of each note so issued.

Redemption if agency is abolished.

3. In the event of the bank ceasing to have an office or agency in any such British colony or possession, all notes issued in such colony or possession under the provisions of this section shall become payable and redeemable at the par value thereof (that is to say, at four dollars and eighty-six and two-third cents per pound sterling) in the same manner as notes of the bank issued in Canada are payable and redeemable; provided always that no notes issued for circulation in a British colony or possession other than Canada shall be reissued in Canada, and that nothing herein shall be construed as authorizing the issue or reissue by the bank in Canada of notes payable to bearer on demand and intended for circulation for a sum less than five dollars or for a sum which is not a multiple of five dollars.

Proviso: as to issue in Canada.

Total amount of circulation.

4. The amount of the notes at any time in circulation in any colony or possession, issued under the provisions of this section, shall at the rate of four dollars and eighty-six and two-third cents per pound sterling, form part of the total amount of the notes in circulation within the meaning of section 51 of this Act, and, except as in this section otherwise specially provided, shall be subject to all the provisions of this Act; but nothing herein contained shall enable the bank to increase the total amount of its notes in circulation in Canada and elsewhere beyond the limit fixed by the said section 51.

Pledging of notes prohibited.

52. The bank shall not pledge, assign or hypothecate its notes; and no advance or loan made on the security of the notes of a bank shall be recoverable from the bank or its assets.

Penalty for pledging.

2. Every person who, being the president, vice-president, director, principal partner *en commandite*, general manager, manager, cashier or other officer of the bank, pledges, assigns, or hypothecates, or authorizes, or is concerned in the pledge, assignment or hypothecation of the notes of the bank,—and every person who accepts, receives or takes, or authorizes or is concerned in the acceptance or receipt or taking of such notes as a pledge, assignment or hypothecation, shall be liable to a fine of not less than four hundred dollars and not more than two thousand dollars, or to imprisonment for not more than two years or to both.

Penalty for improper issue or taking of notes.

3. Every person who, being the president, vice-president, director, principal partner *en commandite*, general manager, manager, cashier or other officer of a bank, with intent to defraud, issues or delivers, or authorizes or is concerned in the issue or delivery of notes of the bank intended for circulation and not then in circulation,—and every person who, with knowledge of such intent, accepts, receives or takes, or authorizes or is concerned in the acceptance, receipt or taking of such notes,—shall be guilty of a

misdemeanour, and liable to imprisonment for a term not exceeding seven years, or to a fine not exceeding two thousand dollars, or to both.—1890, c. 31, s. 52.

53. The payment of the notes issued or re-issued by the bank and intended for circulation, and then in circulation, together with any interest paid or payable thereon as hereinafter provided, shall be the first charge upon the assets of the bank in case of its insolvency: and the payment of any amount due to the Government of Canada, in trust or otherwise, shall be the second charge upon such assets; and the payment of any amount due to the government of any of the Provinces, in trust or otherwise, shall be the third charge upon such assets.

Notes to be first charge on assets

2. The amount of any penalties for which the bank is liable shall not form a charge upon the assets of such bank, in case of its insolvency, until all other liabilities are paid.—1890, c. 31, s. 53.

Liability for penalties in case of insolvency.

C. 26, 1900 (10). The bank shall not, during any period of suspension of payment of its liabilities, issue or reissue its notes payable to bearer on demand and intended for circulation, and if, after any such suspension, the bank resumes business without the consent in writing of the curator hereinafter provided for, it shall not issue or reissue any of such notes until authorized by the Treasury Board so to do, and every person who, being president, vice-president, director, general manager, manager, clerk or other officer of the bank, issues or reissues, or authorizes or is concerned in the issue or reissue of such notes, and every person who accepts, receives or takes, or authorizes or is concerned in the acceptance, receipt or taking of such notes from the bank, or from such president, vice-president, director, general manager, manager, clerk or other officer of the bank, in payment or part payment, or as security for the payment of any amount due or owing to such person by the bank, is guilty of an indictable offence and liable to imprisonment for a term not exceeding seven years, or a fine not exceeding two thousand dollars, or to both.

Bank not to issue notes during period of suspension.

Penalty.

54. Every bank to which this Act applies and which is carrying on its business at the time when this act comes into force, [July 1, 1891] shall, within fifteen days thereafter, pay to the Minister of Finance and Receiver General, a sum of money equal to two and one-half per cent of the average amount of its notes in circulation during the twelve months next preceding the date of the coming into force of this Act, or if such bank has not been in operation for twelve months, a sum of money equal to two and one half per cent of the average amount of its notes in circulation during the time it has been in operation; and each bank shall, within fifteen days from and after the first day of July, in the year one thousand eight hundred and ninety-two, pay to the Minister of Finance and Receiver General such further sum of money as is necessary to make the total amount so paid by each bank to be a sum equal to five per cent of the average amount of its notes in circulation during the twelve months next preceding the date last mentioned—which sum shall be adjusted annually as hereinafter provided.

Existing banks to make deposit with Minister of Finance equal to five per cent. of note circulation.

2. *No longer necessary.*

As to new
banks

3. The Minister of Finance and Receiver General shall, upon the issue of a certificate under this Act authorizing a bank to issue notes and commence the business of banking, retain out of any moneys of such bank then in his possession the sum of five thousand dollars,—which sum shall be held for the purposes of this section until the annual adjustment hereunder takes place in the year then next following, at which time the amount at the credit of the bank shall be adjusted by payment to or by the bank of such sum as is necessary to make the amount at the credit of the bank to be a sum of money equal to five per cent of the average amount of its notes in circulation from the time it commenced business to the time of such adjustment,—which sum shall be adjusted annually as hereinafter provided.

Formation of
circulation
redemption
fund.

4. The amounts so paid, retained and kept on deposit as aforesaid shall form a fund to be known as "The Bank Circulation Redemption Fund,"—which fund shall be held for the following purpose, and for no other, namely: In the event of the suspension by the bank of payment in specie or Dominion notes of any of its liabilities as they accrue, for the payment of the notes then issued or reissued by such bank, and intended for circulation, and then in circulation, and interest thereon; and the Minister of Finance and Receiver General shall, with respect to all notes paid out of the said fund, have the same rights as any other holder of the notes of the bank.

Fund to bear
interest.

5. The fund shall bear interest at the rate of three per cent per annum, and it shall be adjusted as soon as possible after the thirtieth day of June in each year in such a way as to make the amount at the credit of each bank contributing thereto, unless herein otherwise specially provided, equal to five per cent of the average note circulation of such bank during the then next preceding twelve months.

Note circulation,
how
determined.

6. The average note circulation of a bank during any period shall be determined from the average of the amount of its notes in circulation, as shown by the monthly returns for such period made by the bank to the Minister of Finance and Receiver General; and where, in any return, the greatest amount of notes in circulation at any time during the month is given, such amount shall, for the purposes of this section, be taken to be the amount of the notes of the bank in circulation during the month to which such return relates.

Notes of bank
suspending
payment to
bear interest
until re-
deemed.

7. In the event of the suspension by the bank of payment in specie or Dominion notes of any of its liabilities as they accrue, the notes of such bank, issued or reissued and intended for circulation, and then in circulation, shall bear interest at the rate of five per cent per annum, from the day of such suspension to such day as is named by the directors, or by the liquidator, receiver, assignee or other proper official, for the payment thereof—of which day notice shall be given by advertisement for at least three days in a newspaper published in the place in which the head office of the bank is situate: but in case any notes presented for payment on or after any day named for payment thereof are not paid, all notes then unpaid and in circulation shall continue to bear interest to such further day as is named for payment thereof,—of which day notice shall be given in manner above provided: Provided always, that in case of failure on the part of the directors of the bank, or of the liquidator, re-

If not re-
deemed to be paid
out of fund

ceiver, assignee or other proper official, to make arrangements within two months from the day of suspension of payment by the bank as aforesaid for the payment of all of its notes and interest thereon, the Minister of Finance and Receiver General may thereupon make arrangements for the payment of the notes remaining unpaid, and all interest thereon, out of the said fund, and shall give such notice of such payment as he thinks expedient, and on the day named by him for such payment all interest on such notes shall cease, anything herein contained to the contrary notwithstanding; but nothing herein contained shall be construed to impose any liability on the Government of Canada or on the Minister of Finance and Receiver General beyond the amount available from time to time out of the said fund.

Proviso.

8. All payments made from the said fund shall be without regard to the amount contributed thereto by the bank in respect of whose notes the payments are made; and in case the payments from the fund exceed the amount contributed by such bank to the fund, and all interest due or accruing due to such bank thereon, the other banks shall, on demand, make good to the fund the amount of such excess, *pro rata* to the amount which each bank had or should have contributed to the fund at the time of the suspension of the bank in respect of whose notes the payments are made; and all amounts recovered and received by the Minister of Finance and Receiver General from the bank on whose account such payments were made shall, after the amount of such excess has been made good as aforesaid, be distributed among the banks contributing to make good such excess *pro rata* to the amount contributed by each: Provided always, that each of such other banks shall only be called upon to make good to the said fund its share of such excess, in payments not exceeding in any one year one per cent. of the average amount of its notes in circulation,—such circulation to be ascertained in such manner as the Minister of Finance and Receiver General decides; and his decision shall be final.

Payments from fund to be without regard to amount contributed.

Proviso.

9. In the event of the winding up of the business of a bank by reason of insolvency or otherwise, the Treasury Board may, on the application of the directors, or of the liquidator, receiver, assignee or other proper official, and on being satisfied that proper arrangements have been made for the payment of the notes of the bank and any interest thereon, pay over to such directors, liquidator, receiver, assignee, or other proper official the amount at the credit of the bank, or such portion thereof as it thinks expedient.

Repayment of amount if bank is wound up.

10. The Treasury Board may make all such rules and regulations as it thinks expedient with reference to the payment of any moneys out of the said fund, and the manner, place and time of such payments, the collection of all amounts due to the said fund, all accounts to be kept in connection therewith, and generally the management of the said fund and all matters relating thereto.

Treasury Board may regulate management of fund.

11. The Minister of Finance and Receiver General may, in his official name, by action in the Exchequer Court of Canada, enforce payment (with costs of action) of any sum due and payable by any bank under the provisions of this section.—1890, c. 31, s. 54. *as amended by 1900, c. 26, ss. 11 and 12.*

Enforcement of payment.

Notes of
suspended
bank to bear
interest at 3
per cent. in
certain cases.

C. 26, 1900 (13). Notwithstanding anything to the contrary contained in section 54 of the said Act, all notes of a bank which has suspended payment, and all interest on such notes, which are paid by the Minister of Finance and Receiver General out of "The Bank Circulation Redemption Fund" after the amount at the credit of such bank in the fund, adding thereto all interest due or accruing due on such amount, has been exhausted, shall bear interest at the rate of three per cent per annum from the time such notes and interest are paid until such notes and interest are repaid to the Minister of Finance and Receiver General by or out of the assets of such bank.

Notes of bank
to be payable
at par
throughout
Canada.

55. The bank shall make such arrangements as are necessary to ensure the circulation at par in any and every part of Canada of all notes issued or reissued by it and intended for circulation; and towards this purpose the bank shall establish agencies for the redemption and payment of its notes at the cities of Halifax, St. John, Charlottetown, Montreal, Toronto, Winnipeg and Victoria, and at such other places as are, from time to time, designated by the Treasury Board.—1890, c. 31, s. 55.

Redemption
of notes.

56. The bank shall always receive in payment its own notes at par at any of its offices, and whether they are made payable there or not.

Payable
chief place of
business

2. The chief place of business of the bank shall always be one of the places at which its notes are made payable.—1890, c. 31, s. 56.

Payments in
Dominion
notes.

57. The bank, when making any payment, shall, on the request of the person to whom the payment is to be made, pay the same, or such part thereof, not exceeding one hundred dollars as such person requests, in Dominion notes for one two or four dollars each, at the option of such person: Provided always that no payment, whether in Dominion notes or bank notes, shall be made in bills that are torn or partially defaced by excessive handling.—1890, c. 31, s. 57.

Torn or de-
faced notes.

Bonds, notes,
&c., how and
by whom to
be signed.

58. The bonds, obligations and bills, obligatory or of credit, of the bank under its corporate seal, and signed by the president, or vice-president and countersigned by a cashier, or assistant cashier, which are made payable to any person, shall be assignable by endorsement thereon; and bills or notes of the bank signed by the president, vice-president, cashier or other officer appointed by the directors of the bank to sign the same, promising the payment of money to any person or to his order, or to the bearer, though not under the corporate seal of the bank, shall be binding and obligatory on it in like manner and with the like force and effect as they would be upon any private person, if issued by him in his private or natural capacity, and shall be assignable in like manner as if they were so issued by a private person in his natural capacity: Provided always, that the directors of the bank may, from time to time, authorize or depute any cashier, assistant cashier or officer of the bank, or any director other than the president or vice-president, or any cashier, manager or local director of any branch or office of discount and deposit of the bank, to sign the notes of the bank intended for circulation.—1890, c. 31, s. 58.

Proviso
power may be
deputed to
officer.

59. All bank notes and bills of the bank whereon the name of any person entrusted or authorized to sign such notes or bills on behalf of the bank is impressed by machinery provided for that purpose, by or with the authority of the bank, shall be good and valid to all intents and purposes as if such notes and bills had been subscribed in the proper handwriting of the person intrusted or authorized by the bank to sign the same respectively, and shall be bank notes and bills within the meaning of all laws and statutes whatever, and may be described as bank notes or bills in all indictments and civil or criminal proceedings whatsoever: Provided always, that at least one signature to each note or bill must be in the actual handwriting of a person authorized to sign such note or bill.—1890, c. 31, s. 59.

Notes may be signed by machinery.

One signature must be written

60. Every person, except a bank to which this Act applies, who issues or reissues, makes, draws, or endorses any bill, bond, note, cheque or other instrument, intended to circulate as money, or to be used as a substitute for money, for any amount whatsoever, shall incur a penalty of four hundred dollars, which shall be recoverable, with costs, in any court of competent jurisdiction, by any person who sues for the same; and a moiety of such penalty shall belong to the person suing for the same, and the other moiety to Her Majesty for the public uses of Canada.

Penalty for unauthorized issue of notes for circulation.

2. The intention to pass any such instrument as money shall be presumed, if it is made for the payment of a less sum than twenty dollars, and is payable either in form or in fact to the bearer thereof, or at sight or on demand, or at less than thirty days thereafter, or is overdue, or is in any way calculated or designed for circulation, or as a substitute for money; unless such instrument is a cheque on some chartered bank paid by the maker directly to his immediate creditor, or a promissory note, bill of exchange, bond or other undertaking for the payment of money, paid or delivered by the maker thereof, to his immediate creditor, and is not designed to circulate as money or as a substitute for money.—1890, c. 31, s. 60.

What shall be deemed such notes.

61. Every person who in any way defaces any Dominion or Provincial note, or bank note, whether by writing, printing, drawing or stamping thereon, or by attaching or affixing thereto, anything in the nature or form of an advertisement, shall be liable to a penalty not exceeding twenty dollars.—1890, c. 31, s. 61.

Defacement of notes.

Penalty.

62. Every officer charged with the receipt or disbursement of public moneys, and every officer of any bank, and every person acting as or employed by any banker, shall stamp or write in plain letters the word "counterfeit," "altered" or "worthless," upon every counterfeit or fraudulent note issued in the form of a Dominion or bank note, and intended to circulate as money, which is presented to him at his place of business; and if such officer or person wrongfully stamps any genuine note he shall, upon presentation, redeem it at the face value thereof.—1890, c. 31, s. 61.

Counterfeit and fraudulent notes to be stamped as such.

63. *Repealed by The Criminal Code, 1892, and superseded by section 442 of that Code.*

BUSINESS AND POWERS OF THE BANK.

Branches and
agencies.

General powers
of bank.

Certain busi-
ness may not
be transacted
by the bank.

64. The bank may open branches, agencies and offices, and may engage in and carry on business as a dealer in gold and silver coin and bullion, and it may deal in, discount and lend money and make advances upon the security of, and may take as collateral security for any loan made by it, bills of exchange, promissory notes and other negotiable securities, or the stock, bonds, debentures and obligations of municipal and other corporations, whether secured by mortgage or otherwise, or Dominion, Provincial, British, foreign and other public securities, and it may engage in and carry on such business generally as appertains to the business of banking; but, except as authorized by this Act, it shall not, either directly or indirectly, deal in the buying, or selling, or bartering of goods, wares and merchandise, or engage or be engaged in any trade or business whatsoever; and it shall not, either directly or indirectly, purchase or deal in, or lend money, or make advances upon the security or pledge of any share of its own capital stock or of the capital stock of any bank; and it shall not, either directly or indirectly, lend money or make advances upon the security, mortgage or hypothecation of any land, tenements or immovable property, or of any ships or other vessels, or upon the security of any goods, wares and merchandise. —1890, c. 31, s. 64.

Bank to have
lien on debtor's
shares.

Sale of such
shares.

Notice.

Transfer in
case of sale.

65. The bank shall have a privileged lien, for any debt or liability for any debt to the bank, on the shares of its own capital stock and on any unpaid dividends of the debtor or person liable, and may decline to allow any transfer of the shares of such debtor or person until such debt is paid; and the bank shall, within twelve months after such debt has accrued and become payable, sell such shares, and notice shall be given to the holder thereof of the intention of the bank to sell the same, by mailing such notice in the post office to the last known address of such holder, at least thirty days prior to such sale; and upon such sale being made the president, vice-president, manager or cashier shall execute a transfer of such shares to the purchaser thereof in the usual transfer book of the bank,—which transfer shall vest in such purchaser all the rights in or to such shares which were possessed by the holder thereof, with the same obligation of warranty on his part as if he were the vendor thereof, but without any warranty from the bank or by the officer of the bank executing such transfer. —1890, c. 31, s. 65.

Collateral
securities may
be similarly
dealt with.

66. The stock, bonds, debentures or securities, acquired and held by the bank as collateral security, may, in case of default to pay the debt, for securing which they were so acquired and held, be dealt with, sold and conveyed either in like manner and subject to the same restrictions as are herein provided in respect of stock of the bank on which it has acquired a lien under this Act, or in like manner as and subject to the restrictions under which a private individual might in like circumstances deal with, sell and convey the same, but without obligation to sell the same within twelve months.

Right to do so
may be waived.

2. The right so to deal with and dispose of such stock, bonds, debentures or securities in manner aforesaid may be waived or varied by any agreement between the bank and the owner of such

stock, bonds, debentures or securities, made at the time at which such debt was incurred, or if the time of payment of such debt has been extended, then by an agreement made at the time of such extension.—1890, c. 31, s. 66.

67. The bank may acquire and hold real and immovable property for its actual use and occupation and the management of its business, and may sell or dispose of the same, and acquire other property in its stead for the same purpose.—1890, c. 31, s. 67.

Real estate for occupation.

68. The bank may take, hold and dispose of mortgages and *hypothèques* upon real or personal, immovable or movable property, by way of additional security for debts contracted to the bank in the course of its business; and the rights, powers and privileges which the bank is by this Act declared to have or to have had in respect of real or immovable property mortgaged to it, shall be held and possessed by it in respect of any personal or movable property which is mortgaged or hypothecated to it.—1890, c. 31, s. 68:

Mortgages as additional security.

69. The bank may purchase any lands or real or immovable property offered for sale under execution, or in insolvency, or under the order or decree of a court, as belonging to any debtor to the bank, or offered for sale by a mortgagee or other encumbrancer having priority over a mortgage or other encumbrance held by the bank or offered for sale by the bank under a power of sale given to it for that purpose, in cases in which, under similar circumstances, an individual could so purchase, without any restriction as to the value of the property which it may so purchase, and may acquire a title thereto as any individual purchasing at sheriff's sale, or under a power of sale, in like circumstances, could do, and may take, have, hold and dispose of the same at pleasure.—1890, c. 31, s. 69.

Purchase of land under execution, &c.

70. The bank may acquire and hold an absolute title in or to real or immovable property mortgaged to it as security for a debt due or owing to it, either by obtaining a release of the equity of redemption in the mortgaged property, or by procuring a foreclosure, or by other means whereby, as between individuals, an equity of redemption can, by law, be barred, and may purchase and acquire any prior mortgage or charge on such property.

Bank may acquire absolute title in real property.

2. No bank shall hold any real or immovable property, howsoever acquired, except such as is required for its own use for any period exceeding seven years from the date of the acquisition thereof, or any extension of such period as hereinafter provided, but such property shall be absolutely sold or disposed of so that the bank shall no longer retain any interest therein unless by way of security; Provided that the Treasury Board may direct that the time for the sale or disposal thereof be extended for a further period or periods, not to exceed five years, the whole period during which the bank may so hold such property under the provisions of this sub-section not to exceed twelve years.

Property to be sold within certain time.

Provision extended of time.

3. Any real or immovable property, not within the exception aforesaid, held by the bank for a longer period than authorized by the preceding sub-section, shall be liable to be forfeited to Her Majesty for the use of the Dominion of Canada, but no such

Property not sold to be liable to forfeiture.

forfeiture shall take effect until the expiration of at least six calendar months after notice in writing to the bank by the Minister of Finance and Receiver General of the intention of Her Majesty to claim such forfeiture, and the bank may, notwithstanding such notice, before the forfeiture is effected, sell or dispose of such property, free from liability to forfeiture.

Provisions
apply to real
property now
held.

4. The provisions of this section shall apply to any real or immovable property heretofore acquired by the bank and held by it at the time of the coming into force of this Act.—1900, c. 29, s. 14. (*Substituted for 1890, c. 31, s. 70*).

Title to lands
so acquired ;
power of sale,
&c.

71. Nothing in any charter, Act or law shall be construed as ever having prevented or as preventing the bank from acquiring and holding an absolute title to and in any such mortgaged real or immovable property, whatever the value thereof is, or from exercising or acting upon any power of sale contained in any mortgage given to it or held by it, authorizing or enabling it to sell or convey away any property so mortgaged.—1890, c. 31, s. 71.

As to advances
for building
ships.

72. Every bank advancing money in aid of the building of any ship or vessel shall have the same right of acquiring and holding security upon such ship or vessel, while building and when completed, either by way of mortgage, *hypothèque*, hypothecation, privilege or lien thereon, or purchase or transfer thereof, as individuals have in the Province wherein such ship or vessel is being built, and for that purpose may avail itself of all such rights and means of obtaining and enforcing such security, and shall be subject to all such obligations, limitations and conditions as are, by the law of such Province, conferred or imposed upon individuals making such advances.—1890, c. 31, s. 72.

Warehouse
receipts may
be taken as
collateral
security.

73. The bank may acquire and hold any warehouse receipt or bill of lading as collateral security for the payment of any debt incurred in its favour or as security for any liability incurred by it for any person in the course of its banking business; and the warehouse receipt or bill of lading so acquired shall vest in the bank, from the date of the acquisition thereof, all the right and title of the previous holder or owner thereof, or of the person from whom such goods, wares and merchandise were received or acquired by the bank, if the warehouse receipt or bill of lading is made directly in favour of the bank, instead of to the previous holder or owner of such goods, wares and merchandise.

When previous
holder is an
agent.

2. If the previous holder of such warehouse receipt or bill of lading is the agent of the owner of the goods, wares and merchandise mentioned therein, the bank shall be vested with all the right and title of the owner thereof, subject to his right to have the same re-transferred to him, if the debt or liability as security for which they are held by the bank, is paid.

Interpretation
of "Agent."

3. In this section the expression "agent" means any person intrusted with the possession of goods, wares and merchandise or to whom the same are consigned, or who is possessed of any bill of lading, receipt, order or other document used in the course of business as proof of the possession or control of goods, wares and merchandise, or authorizing or purporting to authorize, either by endorsement or by delivery, the possessor of such document to

transfer or receive the goods, wares and merchandise thereby represented; and such person shall be deemed the possessor of such goods, wares and merchandise, bill of lading, receipt, order or other document as aforesaid, as well if the same are held by any person for him or subject to his control as if he is in actual possession thereof.—1890, c. 31, s. 73, *as amended by* 1900, c. 26, s. 15.

74. The bank may lend money to any person engaged in business as a wholesale manufacturer of any goods, wares and merchandise, upon the security of the goods, wares and merchandise manufactured by him or procured for such manufacture.

Loans to
wholesale
manufacturers.

The bank may also lend money to any wholesale purchaser or shipper of or dealer in products of agriculture, the forest, quarry and mine, or the sea, lakes and rivers, or to any wholesale purchaser or shipper of or dealer in live stock or dead stock and the products thereof, upon the security of such products, or of such live stock or dead stock and the products thereof. The bank may allow the goods, wares and merchandise covered by such security to be removed and other goods, wares and merchandise mentioned in this sub-section to be substituted therefor, and those so substituted shall be covered by such security as if originally covered thereby: Provided always, that such goods, wares and merchandise so substituted are of substantially the same character and of substantially the same value as, or of less value than, those for which they have been so substituted.

Loans to cer-
tain wholesale
dealers, etc.

3. Such security may be given by the owner and may be taken in the form set forth in Schedule C to this Act, or to the like effect; and by virtue of such security, the bank shall acquire the same rights and powers in respect to the goods, wares and merchandise, stock or products covered thereby, as if it had acquired the same by virtue of a warehouse receipt.—1890, c. 31, s. 74, *as amended by* 1900, c. 26, s. 17.

Form of
security.

C. 26, 1900 (16). The bank may lend money upon the security of standing timber and the rights or licenses held by persons to cut or remove such timber.

Loans on
standing
timber, etc.

75. The bank shall not acquire or hold any warehouse receipt or bill of lading or security under section 74 of this Act to secure the payment of any bill, note, debt or liability, unless such bill, note, debt or liability is negotiated or contracted at the time of the acquisition thereof, by the bank, or upon the written promise or agreement that such warehouse receipt or bill of lading or security would be given to the bank; but such bill, note, debt or liability may be renewed, or the time for the payment thereof extended, without affecting any such security.

When such
security may
be acquired.

2. The bank may, on shipment of any goods, wares and merchandise for which it holds a warehouse receipt, or security as aforesaid, surrender such receipt or security and receive a bill of lading in exchange therefor, or, on the receipt of any goods, wares and merchandise for which it holds a bill of lading or security, as aforesaid, it may surrender such bill of lading or security, store such goods, wares and merchandise, and take a warehouse receipt therefor, or may ship them, or part of them, and take another bill of lading therefor.

Exchange of
warehouse
receipt for bill
of lading, and
vice versa.

Penalty for
making false
statement.

3. Every one is guilty of a misdemeanor and liable to imprisonment for a term not exceeding two years who wilfully makes any false statement in any warehouse receipt, bill of lading or security, as aforesaid.

Penalty for
alienating
goods so
secured.

4. Every one is guilty of a misdemeanor and liable to imprisonment for a term not exceeding two years; who, having possession or control of any goods, wares and merchandise covered by any warehouse receipt, bill of lading or security as aforesaid, and having knowledge of such receipt, bill of lading or security, and without consent of the bank, in writing and before the advance, bill, note, debt or liability thereby secured has been fully paid, wilfully alienates or parts with any such goods, wares or merchandise, or wilfully withholds from the bank possession thereof upon demand after default in payment of such advance, bill, note, debt or liability. — 1890, c. 31, s. 75, *as amended by* 1900, c. 26, s. 18.

As to goods
manufactured
from articles
pledged.

76. If goods, wares and merchandise are manufactured or produced from the goods, wares and merchandise, or any of them, included in or covered by any warehouse receipt, or security given under section 74 of this Act, while so covered, the bank holding such warehouse receipt or security shall hold or continue to hold such goods, wares and merchandise, during the process and after the completion of such manufacture or production, with the same right and title and for the same purposes and upon the same conditions as it held or could have held the original goods, wares and merchandise. — 1890, c. 31, s. 76.

Prior claim of
the bank over
unpaid vendor.

77. All advances made on the security of any bill of lading or warehouse receipt, or security given under section 74 of this Act, shall give to the bank making such advances a claim for the repayment of such advances on the goods, wares and merchandise therein mentioned, or into which they have been converted, prior to and by preference over the claim of any unpaid vendor; but such preference shall not be given over the claim of any unpaid vendor who had a lien upon such goods, wares and merchandise at the time of the acquisition by the bank of such warehouse receipt, bill of lading, or security, unless the same was acquired without knowledge on the part of the bank of such lien. — 1890, c. 31, s. 77.

Sale of goods
on non-pay-
ment of debt.

78. In the event of the non-payment at maturity of any debt or liability secured by a warehouse receipt or bill of lading, or security given under section 74 of this Act, the bank may sell the goods, wares and merchandise mentioned therein, or so much thereof as will suffice to pay such debt with interest and expenses, returning the overplus, if any, to the person from whom such warehouse receipt, or bill of lading, or security, or the goods, wares and merchandise mentioned therein, as the case may be, were acquired; but such power of sale shall be subject to the following provisions, namely:

Notice to be
given before
sale of goods
pledged.

2. No sale without the consent in writing of the owner of any timber, boards, deals, staves, saw logs or other lumber, shall be made under this Act until notice of the time and place of such sale has been given by a registered letter, mailed in the post office to the last known address of the pledger thereof, at least thirty days prior to the sale thereof; and no goods, wares and merchandise, other than timber, boards, deals, staves, sawlogs or other lumber,

shall be sold by the bank under this Act without the consent of the owner, until notice of the time and place of sale has been given by a registered letter, mailed in the post office to the last known address of the pledger thereof, at least ten days prior to the sale thereof.

3. Every such sale of any article mentioned in this section, without the consent of the owner, shall be made by public auction, after a notice thereof by advertisement, stating the time and place thereof, in at least two newspapers published in or nearest to the place where the sale is to be made; and if such sale is in the Province of Quebec, then at least one of such newspapers shall be a newspaper published in the English language, and one other such newspaper shall be a newspaper published in the French language.—1890, c. 31, s. 78, as amended by 1900, c. 26, s. 19.

Sale by auction
after notice.

79. Every bank which violates any provision contained in any of the sections numbered 64 to 78 (both inclusive) shall incur for each violation thereof a penalty not exceeding five hundred dollars.—1890, c. 31, s. 79.

Penalty for
contravention

80. The bank shall not be liable to incur any penalty or forfeiture for usury, and may stipulate for, take reserve or exact any rate of interest or discount not exceeding seven per cent. per annum, and may receive and take in advance any such rate, but no higher rate of interest shall be recoverable by the bank; and the bank may allow any rate of interest whatever upon money deposited with it.—1890, c. 31, s. 80.

No penalty
for usury.

What interest
may be allowed.

81. No promissory note, bill of exchange or other negotiable security, discounted by or endorsed or otherwise assigned to the bank, shall be held to be void, usurious or tainted by usury, as regards such bank, or any maker, drawer, acceptor, endorser, or endorsee thereof, or other party thereto, or *bona fide* holder thereof, nor shall any party thereto be subject to any penalty or forfeiture by reason of any rate of interest taken, stipulated or received by such bank, on or with respect to such promissory note, bill of exchange, or other negotiable security, or paid or allowed by any party thereto, to another in compensation for, or in consideration of the rate of interest taken or to be taken thereon by such bank; but no party thereto, other than the bank, shall be entitled to recover or liable to pay more than the lawful rate of interest in the Province where the suit is brought, nor shall the bank be entitled to recover a higher rate than seven per cent. per annum; and no innocent holder of or party to any promissory note, bill of exchange or other negotiable security, shall, in any case be deprived of any remedy against any party thereto, or liable to any penalty or forfeiture, by reason of any usury or offence against the laws of any such Province, respecting interest, committed in respect of such note, bill or negotiable security, without the complicity or consent of such innocent holder or party.—1890, c. 31, s. 81.

No instrument
to be void on
ground of
usury

As to innocent
holders.

82. The bank may, in discounting at any of its places of business, branches, agencies or offices of discount and deposit, any note, bill or other negotiable security or paper payable at any other of its own places or seats of business, branches, agencies or offices of discount and deposit in Canada, receive or retain, in addition to the discount, any amount not exceeding the following rates per cent. according to the time it has to run, on the amount of such

Collection
fees.

note, bill or other negotiable security or paper, to defray the expenses attending the collection thereof, that is to say: under thirty days, one-eighth of one per cent.; thirty days or over, but under sixty days, one-fourth of one per cent.; sixty days and over, but under ninety days, three-eighths of one per cent.; ninety days and over, one-half of one per cent.—1890, c. 31, s. 82.

Agency fees.

83. The bank may, in discounting any note, bill or other negotiable security or paper, *bona fide* payable at any place in Canada different from that at which it is discounted, and other than one of its own places or seats of business, branches, agencies or offices of discount and deposit in Canada, receive and retain, in addition to the discount thereon, a sum not exceeding one-half of one per cent on the amount thereof, to defray the expenses of agency and charges in collecting the same.—1890, c. 31, s. 83.

Deposits may be received from persons unable to contract.

84. The bank may receive deposits from any person whomsoever, whatever his age, status or condition in life, and whether such person is qualified by law to enter into ordinary contracts or not; and from time to time may repay any or all of the principal thereof, and may pay the whole or any part of the interest thereon to such person without the authority, aid, assistance or intervention of any person or official being required, unless before such repayment the money so deposited in and repaid by the bank is lawfully claimed as the property of some other person, in which case it may be paid to the depositor with the consent of the claimant, or to the claimant with the consent of the depositor: Provided always, that if the person making any such deposit could not, under the law of the Province where the deposit is made, deposit and withdraw money in and from a bank without this section, the total amount to be received from such person on deposit shall not, at any time, exceed the sum of five hundred dollars.

Proviso amount limited.

Bank not bound to see to trusts in relation to such deposits.

2. The bank shall not be bound to see to the execution of any trust, whether expressed, implied or constructive, to which any deposit made under the authority of this section is subject; and except only in the case of a lawful claim, by some other person before repayment, the receipt of the person in whose name any such deposit stands, or if it stands in the name of two persons the receipt of one, or if in the names of more than two persons the receipt of a majority of such persons, shall be a sufficient discharge to all concerned for the payment of any money payable in respect of such deposit, notwithstanding any trust to which such deposit is then subject, and whether or not the bank sought to be charged with such trust (and with whom the deposit has been made) had notice thereof; and the bank shall not be bound to see to the application of the money paid upon such receipt.

What sufficient authority for payment of amount (to \$500) due deceased depositor.

3. If a person dies, having a deposit with a bank not exceeding the sum of five hundred dollars, the production to the bank and the deposit with it of an authentic notarial copy of the will of the deceased depositor, if such will is in notarial form according to the law of the Province of Quebec, or of any authenticated copy of the probate of the will of the deceased depositor, or of letters of administration of his estate, or of letters of verification of heirship, or of the act of curatorship or tutorship granted by any court in Canada having power to grant the same, or by any court or authority in England, Wales, Ireland, or any British colony, or of any testamentary or testament dative

expede in Scotland, or, if the deceased depositor died out of Her Majesty's dominions, the production to and deposit with the bank of any authenticated copy of the probate of his will or letters of administration of his property, or other document of like import, granted by any court or authority having the requisite power in such matters, shall be sufficient justification and authority to the directors for paying such deposit, in pursuance of and in conformity to such probate, letters of administration, or other such document as aforesaid.—1890, c. 31, s. 84, *as amended by* 1900, c. 26, s. 20.

PURCHASE OF ASSETS OF A BANK

C. 26, 1900 (33). Any bank may sell the whole or any portion of its assets to any other bank which may purchase such assets, and the selling and purchasing banks may, for such purposes enter into an agreement of sale and purchase, which agreement shall contain all the terms and conditions connected with the sale and purchase of such assets.

Bank may sell assets to another bank.

C. 26, 1900 (34). The consideration for any such sale and purchase may be as agreed upon between the selling and the purchasing banks, and if such consideration, or any portion thereof, is shares of the capital stock of the purchasing bank, then and in such case the agreement shall provide for the amount of the shares of such purchasing bank to be paid to the selling bank: Provided that until such shares so paid to the selling bank have been sold by such bank or have been distributed among and accepted by the shareholders of such bank, they shall not be considered issued shares of the purchasing bank for the purposes of its note circulation.

Consideration

If shares of purchasing bank.

C. 26, 1900 (35). The agreement of sale and purchase shall be submitted to the shareholders of the selling bank, either at the annual general meeting of such bank or at a special general meeting thereof called for the purpose, and a copy of the agreement shall be mailed to each shareholder of such bank to his last known address at least four weeks previous to the date of the meeting at which such agreement is to be submitted, together with a notice of the time and place of holding such meeting.

Agreement of sale to be submitted to shareholders of selling bank.

C. 26, 1900 (36). If at such meeting the agreement is approved by resolution carried by the votes of shareholders (present in person or represented by proxy) representing not less than two-thirds of the amount of the subscribed capital stock of the bank, then and in such case the agreement may be executed under the seals of the banks entering thereinto, and application may be made to the Governor in Council, through the Minister of Finance and Receiver General, for approval thereof, but until it is approved by the Governor in Council the agreement shall not be of any force or effect.

Their approval.

Approval of Governor in Council.

C. 26, 1900 (37). If the agreement provides for the payment of the consideration for such sale and purchase, in whole or in part, in shares of the capital stock of the purchasing bank, and for such purpose it is necessary to increase the capital stock of such bank, then and in such case the agreement shall not be executed on behalf of the purchasing bank, unless and until it is approved

Approval by shareholders of purchasing bank.

by the shareholders thereof at the annual general meeting or at a special general meeting of such shareholders.

Necessary
increase of
stock may be
approved of.

C. 26, 1900 (38). The Governor in Council may, on the application for his approval of the agreement, approve of the increase of the capital stock of the purchasing bank which is necessary to provide for the payment of the shares of such bank to the selling bank as provided in the said agreement, and the provisions of sections 26 and 27 of *The Bank Act* shall not apply to such increase of stock.

Conditions
of approval
by Governor
in Council.

C. 26, 1900 (39). The approval of the Governor in Council shall not be given to the agreement, unless the approval thereof is recommended by the Treasury Board, nor unless the application for approval thereof is made by or on behalf of the banks executing it within three months from the date of the execution of such agreement, nor unless it appears to the satisfaction of the Governor in Council that all the requirements of this Act in connection with the approval of such agreement by the shareholders of such banks have been complied with, and that notice of the intention of the banks to apply to the Governor in Council for the approval of the agreement had been published for at least four weeks in the *Canada Gazette* and in one or more newspapers published in the places where the chief offices or places of business of the banks are situate; Provided always that such banks shall afford all information that the Minister of Finance and Receiver General requires, and that nothing herein contained shall be construed to prevent the Governor in Council or the Treasury Board from refusing to approve of the agreement or to recommend its approval.

Proviso.

Further con-
ditions.

C. 27, 1900 (1), substituted for 1900, c. 26, s. 40. The agreement shall not be approved of unless it appears—

Payment of
liabilities.

(a) That proper provisions have been made for the payment of the liabilities of the selling bank;

Outstanding
notes of selling
bank.

(b) that the agreement provides for the assumption and payment by the purchasing bank of the notes of the selling bank issued and intended for circulation, outstanding and in circulation; and

Deposit, if
circulation of
both banks
exceeds paid-
up capital of
purchasing
bank.

(c) that the amount of the notes of both the purchasing and selling banks, issued for circulation, outstanding and in circulation, as shown by the then last monthly returns of the banks, do not together exceed the then paid-up capital of the purchasing bank, or, if the amount of such notes does exceed such paid-up capital, that an amount in cash, equal to the excess of such notes over such paid-up capital has been deposited by the purchasing bank with the Minister of Finance and Receiver General.

Repayment of
deposit upon
redemption of
excess.

2. The amount so deposited as aforesaid shall be held by the Minister of Finance and Receiver General as security for the redemption of said excess of notes, and when such excess, or any portion thereof, has been redeemed and cancelled, the amount so deposited, or an amount equal to the amount of excess so redeemed and cancelled, shall from time to time be repaid by the Minister of Finance and Receiver General to the purchasing bank, but without interest, on the application of such bank, and on the production of such evidence as the Minister of Finance and

Receiver General requires to show that the notes in regard to which such repayment is asked have been redeemed and cancelled.

C. 26, 1900 (41). The notes of the selling bank so assumed and to be paid by the purchasing bank shall, on the approval of the agreement, be deemed to be for all intents and purposes notes of the purchasing bank issued for circulation, and the purchasing bank shall be liable in the same manner and to the same extent as if it had issued them for circulation, and the amount at the credit of the selling bank in "The Bank Circulation Redemption Fund" shall, on the approval of the agreement, be transferred to the credit of the purchasing bank; Provided that such notes of the selling bank shall not be reissued, but shall be called in, redeemed and cancelled as quickly as possible.

Notes of selling bank to become notes of purchasing bank.

Proviso.

C. 26, 1900 (42). The approval by the Governor in Council of the agreement shall be evidenced by a certified copy of the Order in Council approving thereof, and such certified copy shall be conclusive evidence in all courts and proceedings of the approval of the agreement therein referred to and of the regularity of all proceedings in connection therewith.

Evidence of approval by Governor in Council.

C. 26, 1900 (43). On the agreement being approved of by the Governor in Council, the assets therein referred to as sold and purchased shall, in accordance with and subject to the terms thereof, and without any further conveyance, become vested in the purchasing bank, but the selling bank shall from time to time, subject to the terms of the agreement, execute such formal and separate conveyances, assignments and assurances, for registration purposes or otherwise, as are reasonably required to confirm or evidence the vesting in the purchasing bank of the full title or ownership of the assets referred to in the agreement.

On approval by Governor in Council assets to vest in purchasing bank.

C. 26, 1900 (44). As soon as the agreement is approved of by the Governor in Council, the selling bank shall cease to issue or reissue notes for circulation, and shall cease to transact any business, except such as is necessary to enable it to carry out the agreement, and to realize upon any assets not included in the agreement, and to pay and discharge its liabilities, and generally to wind up its business, and its charter or Act of incorporation and any Acts in amendment thereof then in force shall continue in force only for the purposes in this section specified.

Business to be transacted by selling bank.

RETURNS BY THE BANK.

85. Monthly returns shall be made by the bank to the Minister of Finance and Receiver General in the form set forth in Schedule D to this Act, and shall be made up and sent in within the first fifteen days of each month, and shall exhibit the condition of the bank on the last juridical day of the month next preceding; and such monthly returns shall be signed by the chief accountant and by the president, or vice-president, or the director or principal partner then acting as president, and by the manager, cashier or other principal officer of the bank at its chief place of business.

Monthly returns to Government

2. Every bank which neglects to make up and send in, as aforesaid, any monthly return required by this section within the

Penalty for not making up monthly

returns in due time.

time hereby limited, shall incur a penalty of fifty dollars for each and every day after the expiration of such time during which the bank neglects so to make up and send in such return; and the date upon which it appears by the post office stamp or mark upon the envelope or wrapper enclosing such return for transmission to the Minister of Finance and Receiver General that the same was deposited in the post office, shall be taken *prima facie*, for the purposes of this section, to be the date upon which such return was made up and sent in.—1890, c. 31, s. 85.

Special returns may be called for.

86. The Minister of Finance and Receiver General may also call for special returns from any bank, whenever, in his judgment, they are necessary to afford a full and complete knowledge of its condition.

Penalty for not making such return in due time.

2. Such special returns shall be made and signed in the manner and by the persons specified in the next preceding section; and every bank which neglects to make and send in any such special return within thirty days from the date of the demand therefor be the Minister of Finance and Receiver General shall incur a penalty of five hundred dollars for each and every day such neglect continues; and the provisions contained in the last preceding section as to the *prima facie* evidence of the date upon which returns are made up and sent in thereunder, shall apply to returns made under this section: Provided always, that the Minister of Finance and Receiver General may extend the time for sending in such special returns for such further period, not exceeding thirty days, as he thinks expedient.—1890, c. 31, s. 86.

Transmission of certified lists of shareholders to Minister of Finance.

87. The bank shall within twenty days after the close of each calendar year, transmit or deliver to the Minister of Finance and Receiver General, to be by him laid before Parliament, a certified list showing the names of the shareholders of the bank on the last day of such calendar year, with their additions and residences, the number of shares then held by them respectively, and the value at par of such shares.

2. *Repealed by 1900, c. 26, s. 23.*

Penalty for neglect to transmit such lists.

3. Every bank which neglects to transmit such list in manner aforesaid within the time aforesaid shall incur a penalty of fifty dollars for each and every day during which such neglect continues—1890, c. 31, s. 87, *as amended by 1900, c. 26, s. 23.*

Annual statement of dividends remaining unpaid, &c.

88. The bank shall, within twenty days after the close of each calendar year, transmit or deliver to the Minister of Finance and Receiver General, to be by him laid before Parliament, a return of all dividends which have remained unpaid for more than five years, and also of all amounts or balances in respect to which no transactions have taken place or upon which no interest has been paid during the five years prior to the date of such return: Provided always, that in case of moneys deposited for a fixed period, the period of five years above referred to shall be reckoned from the date of the termination of such fixed period.

Proviso.

Details of return.

2. Such return shall be signed in the manner required for the monthly returns under section 85 of this Act, and shall set forth the name of each shareholder or creditor, his last known address, the amount due, the agency of the bank at which the last trans-

action took place, and the date thereof; and if such shareholder or creditor is known to the bank to be dead, such return shall show the names and addresses of his legal representatives, so far as known to the bank.

Further details.

3. Every bank which neglects to transmit or deliver to the Minister of Finance and Receiver General the return above referred to, within the time hereinbefore limited, shall incur a penalty of fifty dollars for each and every day during which such neglect continues.

Penalty for not making annual return.

4. If, in the event of the winding up of the business of the bank in insolvency, or under any general winding-up Act, or otherwise, any moneys payable by the liquidator, either to shareholders or depositors, remain unclaimed for the period of three years from the date of suspension of payment by the bank, or from the commencement of the winding up of such business, or until the final winding up of such business if such takes place before the expiration of the said three years, such moneys and all interest thereon shall, notwithstanding any statute of limitations or other Act relating to prescription, be paid to the Minister of Finance and Receiver General, to be held by him subject to all rightful claims on behalf of any person other than the bank; and in case a claim to any moneys so paid as aforesaid is thereafter established to the satisfaction of the Treasury Board, the Governor in Council shall, on the report of the Treasury Board, direct payment thereof to be made to the person entitled thereto, together with interest on the principal sum thereof at the rate of three per cent. per annum for a period not exceeding six years from the date of payment thereof to the said Minister of Finance and Receiver General as aforesaid: Provided however, that no such interest shall be paid or payable on such principal sum, unless interest thereon was payable by the bank paying the same to the said Minister of Finance and Receiver General: Provided also, that on payment to the Minister of Finance and Receiver General as herein provided, the bank and its assets shall be held to be discharged from further liability for the amounts so paid.

Disposal of unclaimed moneys.

Proviso.

Proviso.

5. Upon the winding-up of a bank in insolvency or under any general winding-up Act, or otherwise, the assignees, liquidators, directors or other officials in charge of such winding-up shall, before the final distribution of the assets, or within three years from the commencement of the suspension of payment by the bank, whichever shall first happen, pay over to the Minister of Finance and Receiver General a sum out of the assets of the bank equal to the amount then outstanding of the notes intended for circulation issued by the bank; and, upon such payment being made, the bank and its assets shall be relieved from all further liability in respect of such outstanding notes. The sum so paid shall be held by the Minister of Finance and Receiver General and applied for the purpose of redeeming, whenever presented, such outstanding notes, without interest.—1890, c. 31, s. 88.

Requirements as to outstanding notes in case of insolvency.

C. 26, 1900 (21). The bank shall, within twenty days after the close of each calendar year, transmit or deliver to the Minister of Finance and Receiver General, to be by him laid before Parliament, a return of all drafts or bills of exchange issued by the bank to any person and remaining unpaid for more than five years prior to the date of such return.

Annual return of unpaid drafts in certain cases.

Details of
return

2. Such return shall be signed in the manner required for the monthly returns under section 85 of *The Bank Act*, and shall set forth, so far as known, the name of the person to whom, or at whose request, such draft or bill of exchange was issued, and his address, the payee thereof, the amount and date thereof, and where the same was payable, and the agency of the bank from which the same was issued.

Penalty for not
making return.

3. Every bank which neglects to transmit or deliver to the Minister of Finance and Receiver General the return referred to, within the time above limited, shall incur a penalty of fifty dollars for each and every day during which such neglect continues.

What
prima facie
evidence of
transmission of
return.

C. 26, 1900 (22). If the certified list or the return required by sections 87, 88, of *The Bank Act*, or by the next preceding section of this Act (c. 26, 1900, sec. 21), to be transmitted or delivered to the Minister of Finance and Receiver General, is transmitted by mail, then and in such case the date upon which it appears, by the post office stamp or mark upon the envelope or wrapper enclosing the list or return received by the Minister of Finance and Receiver General, that it was deposited in the post office of the place in which the chief office of the bank was situated, shall be taken *prima facie* for the purpose of the said sections to be the day upon which such list or return was transmitted to the Minister of Finance and Receiver General.

INSOLVENCY.

Liability of
shareholders in
case of insuffi-
ciency of
assets.

89. In the event of the property and assets of the bank being insufficient to pay its debts and liabilities, each shareholder of the bank shall be liable for the deficiency to an amount equal to the par value of the shares held by him, in addition to any amount not paid up on such shares.—1890, c. 31, s. 89.

Provision as to
prescription,
and statute of
limitations

90. As a condition of the rights and privileges conferred by this Act or by any Act in amendment thereof, the following provision shall have effect: The liability of the bank, under any law, custom or agreement to repay moneys deposited with it and interest (if any) and to pay dividends declared and payable on its capital stock, shall continue notwithstanding any statute of limitations or any enactment or law relating to prescription.

Retroaction.

2. This section applies to moneys heretofore [July 1, 1891] or hereafter deposited, and to dividends heretofore or hereafter declared.—1890, c. 31, s. 90.

Suspension
for 90 days to
constitute
insolvency.

91. Any suspension by the bank of payment of any of its liabilities as they accrue, in specie or Dominion notes shall, if it continues for ninety days, consecutively, or at intervals within twelve consecutive months, constitute the bank insolvent and operate a forfeiture of its charter or Act of incorporation, so far as regards all further banking operations; and the charter or Act of incorporation shall remain in force only for the purpose of enabling the directors or other lawful authority to make and enforce the calls mentioned in the next following sections of this Act and to wind up its business.—1890, c. 31, s. 91.

Calls in such
cases

92. If any suspension of payment in full, in specie or Dominion notes, of all or any of the notes or other liabilities of the bank con-

tinues for three months after the expiration of the time which, under the preceding section, would constitute the bank insolvent and if no proceedings are taken under any general or special Act for the winding up of the bank, the directors shall make calls on the shareholders thereof, to the amount they deem necessary to pay all the debts and liabilities of the bank, without waiting for the collection of any debts due to it or the sale of any of its assets or property.

2. Such calls shall be made at intervals of thirty days, and upon notice to be given thirty days at least prior to the day on which such call shall be payable, and any number of such calls may be made by one resolution; any such call shall not exceed twenty per cent. on each share; and payment of such calls may be enforced in like manner as payment of calls on unpaid stock may be enforced; and the first of such calls may be made within ten days after the expiration of the said three months.

How such calls shall be made and enforced

3. Every director who refuses to make or enforce, or to concur in making or enforcing any call under this section, is guilty of a misdemeanour, and liable to imprisonment for any term not exceeding two years, and shall further be personally responsible for any damages suffered by such default.—1890. c. 31, s. 92.

Refusal to make calls under this section a misdemeanour.

93. In the event of proceedings being taken under any general or special winding up Act, in consequence of the insolvency of the bank, the said calls shall be made in the manner prescribed for the making of such calls in such general or special winding-up Act.—1890, c. 31, s. 93.

Calls under Winding-up Act.

94. Any failure on the part of any shareholder liable to any such call to pay the same when due, shall operate a forfeiture by such shareholder of all claim in or to any part of the assets of the bank,—such call and any further call thereafter being nevertheless recoverable from him as if no such forfeiture had been incurred.—1890, c. 31, s. 94.

Forfeiture for non-payment.

95. Nothing in the six sections next preceding contained shall be construed to alter or diminish the additional liabilities of the directors as hereinbefore mentioned and declared.—1890, c. 31, s. 95.

Liability of directors not diminished.

96. Persons who, having been shareholders of the bank, have only transferred their shares, or any of them, to others, or registered the transfer thereof within sixty days before the commencement of the suspension of payment by the bank, and persons whose subscriptions to the stock of the bank have been cancelled in manner hereinbefore provided within the said period of sixty days before the commencement of the suspension of payment by the bank, shall be liable to all calls on the shares held or subscribed for by them, as if they held such shares at the time of such suspension of payment, saving their recourse against those by whom such shares were then actually held.—1890, c. 31, s. 96.

Liability of shareholders who have transferred their stock.

CURATOR IN CASE OF SUSPENSION OF BANK

C. 26, 1900 (24). "The Canadian Bankers' Association," incorporated by Act passed during the present session [1900] of Parliament, (hereinafter referred to as "the Association,") shall, if

Curator in case of suspension of bank.

a bank suspends payment in specie or Dominion Notes of any of its liabilities as they accrue, forthwith appoint some competent person (hereinafter referred to as the curator) to supervise the affairs of such bank, and the Association may at any time remove the curator, and may appoint another person to act in his stead.

Manner of appointment	<i>C. 26, 1900 (25).</i> The appointment of the curator shall be made in the manner provided for in the by-law of the Association in that behalf made as hereinafter provided, but in default of such by-law such appointment shall be made in writing by the president of the Association or by the person acting as president.
Powers and duties	<i>C. 26, 1900 (26).</i> The curator shall assume supervision of the affairs of the bank, and all necessary arrangements for the payment of the notes of the bank issued for circulation then outstanding and in circulation shall be made under his supervision; and generally he shall have all powers and shall take all steps and do all things necessary or expedient to protect the rights and interests of the creditors and shareholders of the bank, and to conserve and ensure the proper disposition according to law of the assets of the bank; and for the purpose aforesaid he shall have full and free access to all books, accounts, documents and papers of the bank; and the curator shall continue to supervise the affairs of the bank until he is removed from office, or until the bank resumes business, or until a liquidator is duly appointed to wind up the business of the bank.
How long in charge.	
President, etc., to aid curator.	<i>C. 26, 1900 (27).</i> The president, vice-president, directors, general manager, managers, clerks and officers of the bank shall give and afford to the curator all such information and assistance as he requires in the discharge of his duties; but no by-law, regulation, resolution or act touching the affairs or management of the bank, passed, made or done by the directors during the time the curator is in charge of the bank, shall be of any force or effect until approved in writing by the curator.
By-laws, etc., subject to his approval.	
Returns by curator.	<i>C. 26, 1900 (28).</i> The curator shall make all returns and reports, and shall give all information to the Minister of Finance and Receiver General, touching the affairs of the bank, that the Minister of Finance and Receiver General requires of him.
Remuneration, of curator.	<i>C. 26, 1900 (29).</i> The remuneration of the curator for his services, and his expenses and disbursements in connection with the discharge of his duties, shall be fixed and determined by the Association, and shall be paid out of the assets of the bank, and in case of the winding up of the bank shall rank on the estate equally with the remuneration of the liquidator.

BY-LAWS BY CANADIAN BANKERS' ASSOCIATION

Bankers' Association may make by-laws.	<i>C. 26, 1900 (30).</i> The Association may, at any meeting thereof, with the approval of two-thirds in number of the banks represented at such meeting, (the banks so approving having at least two-thirds in par value of the paid-up capital of the banks so represented), make by-laws, rules and regulations respecting
As to curator.	(a). All matters relating to the appointment or removal of the curator, and his powers and duties;

- (b). The supervision of the making of the notes of the banks which are intended for circulation, and the delivery thereof to the banks; Making of bank notes.
- (c). The inspection of the disposition made by the banks of such notes; Disposition thereof.
- (d). The destruction of notes of the banks; and Destruction.
- (e). The imposition of penalties for the breach or non-observance of any by-law, rule or regulation made by virtue of this section. Penalties.
2. No such by-law, rule or regulation, and no amendment or repeal thereof, shall be of any force or effect until approved by the Treasury board. Approval of Treasury Board.
3. Before any such by-law, rule or regulation, or any amendment or repeal thereof is so approved, the Treasury Board shall submit it to every bank which is not a member of the Association, and give to each such bank an opportunity of being heard before the Treasury Board with respect thereto. Notice to other banks.
- C. 26, 1900 (31). The Association shall have all powers necessary to carry out or to enforce the carrying out of, any by-law, rule or regulation, or any amendment thereof, so approved by the Treasury Board. Enforcement of by-laws.
- C. 26, 1900 (32.) The Association shall, on or before the first day of January, in the year one thousand nine hundred and one, submit for the approval of the Treasury Board by-laws, rules and regulations for the purposes aforesaid. Time for submission to Treasury Board.

OFFENCES AND PENALTIES

97. Every one is guilty of a misdemeanour and liable to imprisonment for a term not exceeding two years who, being the president, vice-president, director, principal partner *en commandite*, manager, cashier, or other officer of the bank, wilfully gives or concurs in giving any creditor of the bank any fraudulent, undue or unfair preference over other creditors, by giving security to such creditor or by changing the nature of his claim or otherwise howsoever, and shall further be responsible for all damages sustained by any person in consequence of such preference.—1890, c. 31, s. 97. President, &c., giving undue preference to any creditor, guilty of a misdemeanour.
98. The amount of all penalties imposed upon a bank for any violation of this Act shall be recoverable and enforceable with costs, at the suit of Her Majesty, instituted by the Attorney General of Canada, or the Minister of Finance and Receiver General, and such penalties shall belong to the Crown for the public uses of Canada; but the Governor in Council, on the report of the Treasury Board, may direct that any portion of any penalty be remitted or paid to any person, or applied in any manner deemed best adapted to attain the objects of this Act and to secure the due administration thereof.—1890, c. 31, s. 98. Recovery and disposal of penalties.
99. The making of any wilfully false or deceptive statement in any account, statement, return, report or other document respecting the affairs of the bank is, unless it amounts to a higher offence, a misdemeanour punishable by imprisonment for a term not Making false statement in returns, &c., a misdemeanour, &c.

exceeding five years; and every president, vice-president, director, principal partner *en commandite*, auditor, manager, cashier or other officer of the bank, who prepares, signs, approves or concurs in such statement, return, report or document, or uses the same with intent to deceive or mislead any person, shall be held to have wilfully made such false statement, and shall further be responsible for all damages sustained by any person in consequence thereof.—1890, c. 31, s. 99.

Unauthorized
use of title
"Bank," &c.

100. Every person assuming or using the title of "bank," "banking company," "banking house," "banking association," or "banking institution," without being authorized so to do by this Act, or by some other Act in force in that behalf, is guilty of an offence against this Act.—1890, c. 31, s. 100.

Penalty for
offence against
this Act.

101. Every person committing an offence declared to be an offence against this Act, shall be liable to a fine not exceeding one thousand dollars, or to imprisonment for a term not exceeding five years, or to both, in the discretion of the court before which the conviction is had.—1890, c. 31, s. 101.

PUBLIC NOTICES.

How notices
shall be given.

102. The several public notices by this Act required to be given shall, unless otherwise specified, be given by advertisement in one or more newspapers published at the place where the head office of the bank is situate, and in the *Canada Gazette*.—1890, c. 31, s. 102.

DOMINION GOVERNMENT CHEQUES.

Government
cheques to be
paid at par.

103. The bank shall not charge any discount or commission for cashing any official cheque of the Government of Canada, or of any department thereof, whether drawn on itself or on another bank.—1890, c. 31, s. 103.

COMMENCEMENT OF ACT AND REPEAL.

Commence-
ment of this
Act.

Repeal of
R.S.C., c. 120
and of 51 V.,
c. 27 and 50-51
V., c. 47.

Saving clause.

104. This Act [1890, c. 31] shall come into force on the first day of July, in the year 1891; and from that day chapter 120 of the Revised Statutes of Canada, intituled *An Act respecting Banks and Banking*, the Act passed in the fifty-first year of Her Majesty's reign, chapter 27, in amendment thereof, the Act passed in the session held in the thirty-third year of Her Majesty's reign, chapter 12, intituled *An Act to remove certain restrictions with respect to the issue of bank notes in Nova Scotia*, the Act passed in the session held in the fiftieth and fifty-first years of Her Majesty's reign, chapter 47, intituled *An Act respecting the defacing of counterfeit notes and the use of imitations of notes*, and chapter 120 of the Revised Statutes of New Brunswick, *Of Banking*, and the Act passed by the Legislature of the Province of New Brunswick in the nineteenth year of Her Majesty's reign, chapter 47, intituled *An Act to explain Chapter 120, Title XXXI, of the Revised Statutes, "Of Banking,"* shall be repealed, except as to rights theretofore acquired or liabilities incurred in regard to any matter or thing done or contract or agreement made or entered into or offences committed under the said chapters or Acts, and nothing in this Act

shall affect any action or proceedings then pending under the said chapters or Acts then repealed, but the same shall be decided as if such chapters and Acts had not been repealed.—1890, c. 31, s. 104.

SCHEDULE A.—(*Section 3*).

BANKS WHOSE CHARTERS ARE CONTINUED.

1. The Bank of Montreal.
 2. The Quebec Bank.
 3. The Molsons Bank.
 4. The Bank of Toronto.
 5. The Ontario Bank.
 6. The Eastern Townships Bank.
 7. La Banque Nationale
 8. *La Banque Jacques Cartier.
 9. The Merchants Bank of Canada.
 10. The Union Bank of Canada.
 11. The Canadian Bank of Commerce.
 12. The Dominion Bank.
 13. *The Merchants Bank of Halifax.
 14. The Bank of Nova Scotia.
 15. The Bank of Yarmouth, Nova Scotia.
 16. The Standard Bank of Canada.
 17. The Bank of Hamilton.
 18. The Halifax Banking Company.
 19. La Banque d'Hochelaga.
 20. The Imperial Bank of Canada.
 21. La Banque de St. Hyacinthe.
 22. The Bank of Ottawa.
 23. The Bank of New Brunswick.
 24. The Exchange Bank of Yarmouth.
 25. The Union Bank of Halifax.
 26. The People's Bank of Halifax.
 27. La Banque de St. Jean.
 28. The Commercial Bank of Windsor.
 29. The Western Bank of Canada.
 30. The Traders Bank of Canada.
 31. The People's Bank of New Brunswick.
 32. The St. Stephen's Bank.
 33. The Summerside Bank.
 34. The Merchants Bank of Prince Edward Island.
- 1900, c. 26, *Schedule A* (substituted for 1890, c. 31, *Schedule A*).

C. 28 1900 (4). *When "La Banque Jacques Cartier" changes its name to "La Banque Provinciale du Canada," and "The Merchants Bank of Halifax" changes its name to "The Royal Bank of Canada," under the provisions of Acts of 1900, such banks shall be deemed to be included in schedule A under their new names.

SCHEDULE B.—(*Section 9*).

FORM OF ACT OF INCORPORATION OF NEW BANKS.

An Act to incorporate the Bank.

Whereas the persons hereinafter named have, by their petition, prayed that an act be passed for the purpose of establishing a bank in , and it is expedient to grant the prayer of the said petition :

Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :

1. The persons hereinafter named, together with such others as become shareholders in the corporation by this Act created, are hereby constituted a corporation by the name of
hereinafter called "the Bank."

2. The capital stock of the bank shall be
dollars

3. The chief office of the bank shall be at

4. shall be the provisional
directors of the Bank.

5. This Act shall, subject to the provisions of section 16 of The Bank Act, [1890, c. 31.] remain in force until the first day of July, in the year one thousand nine hundred and eleven.—1890, c. 31, *Schedule B*, as amended by 1900, c. 26, s. 45.

SCHEDULE C.,—(Section 10).

FORM OF SECURITY UNDER SECTION 74 OF THE BANK ACT.

In consideration of an advance of.....dollars
 made by the.....Bank to A. B., for which the
 said bank holds the following bills or notes: (*describe the bills or
 notes, if any,*) [or, in consideration of the discounting of the
 following bills or notes by the.....Bank for A. B.
 (*describe the bills or notes,*)] the goods, wares and merchandise
 mentioned below are hereby assigned to the said bank as security
 for the payment on or before the.....day of
of the said advance, together with interest
 thereon at the rate of.....per cent per annum from the
day of.....(*or, of the said bills or notes,*
or renewals thereof, or substitutions therefor, and interest thereon,
or as the case may be).

This security is given under the provisions of section 74 of
The Bank Act [1890, c. 31] and is subject to the provisions of
 the said Act.

The said goods, wares and merchandise are now owned by
, are now in the possession of.....
 and are free from any mortgage, lien or charge thereon (*or as
 the case may be*), and are in (*place or places where the goods are*),
 and are the following (*description of goods assigned*).

Dated, &c.

(N.B.—*The bills or notes and the goods, &c., may be set out in
 schedules annexed.*)—1900, c. 26, Schedule C. (*Substituted for
 1890, c. 31, Schedule C*).

SCHEDULE D.—(Section 85).

Return of the liabilities and assets of the	bank on
the day of , A.D.	
Capital authorized	\$
Capital subscribed	\$
Capital paid-up	\$
Amount of rest or reserve fund	\$
Rate per cent. of last dividend declared	per cent.

LIABILITIES.

1. Notes in circulation \$
2. Balance due to Dominion Government, after deducting advances for credits, pay lists, &c
3. Balances due to Provincial Governments
4. Deposits by the public, payable on demand, in Canada
5. Deposits by the public, payable after notice or on a fixed day, in Canada
6. Deposits elsewhere than in Canada.....
7. Loans from other banks in Canada, secured, including bills rediscounted
8. Deposits made by, and balances due to, other banks in Canada
9. Balances due to agencies of the bank, or to other banks or agencies, in the United Kingdom.....
10. Balances due to agencies of the bank, or to other banks or agencies, elsewhere than in Canada and the United Kingdom
11. Liabilities not included under foregoing heads...

\$

ASSETS.

1. Specie \$
2. Dominion notes
3. Deposits with Dominion Government for security of note circulation
4. Notes of and cheques on other banks... ..
5. Loans to other banks in Canada, secured, including bills rediscounted
6. Deposits made with, and balances due from, other banks, in Canada
7. Balances due from agencies of the bank, or from other banks or agencies, in the United Kingdom.....
8. Balances due from agencies of the bank, or from other banks or agencies, elsewhere than in Canada and the United Kingdom.....
9. Dominion and Provincial Government securities.

10. Canadian municipal securities, and British, or foreign, or colonial public securities other than Canadian
11. Railway and other bonds, debentures and stocks.
12. Call and short loans on stocks and bonds, in Canada
13. Call and short loans elsewhere than in Canada...
14. Current loans in Canada
15. Current loans elsewhere than in Canada.....
16. Loans to the Government of Canada.....
17. Loans to Provincial Governments
18. Overdue debts.....
19. Real estate other than bank premises.....
20. Mortgages on real estate sold by the bank.....
21. Bank premises... ..
22. Other assets not included under the foregoing heads

\$

Aggregate amount of loans to directors, and firms of which they are partners, \$

Average amount of specie held during the month, \$

Average amount of Dominion notes held during the month, \$

Greatest amount of notes in circulation at any time during the month, \$

I declare that the above return has been prepared under my directions and is correct according to the books of the bank.

E. F.,
Chief Accountant.

We declare that the foregoing return is made up from the books of the bank, and that to the best of our knowledge and belief it is correct, and shows truly and clearly the financial position of the bank; and we further declare that the bank has never, at any time during the period to which the said return relates, held less than forty per cent. of its cash reserves in Dominion notes.

(Place) this day of

A. B., *President.*

C. D., *General Manager.*

CHAPTER 1900.

AN ACT TO INCORPORATE THE CANADIAN BANKERS' ASSOCIATION

- Preamble.** WHEREAS the voluntary association now existing under the name of the Canadian Bankers' Association has, by its petition, prayed that it may be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—
- Incorporation.** 1. There is hereby created and constituted a corporation under the name of "The Canadian Bankers' Association," hereinafter called "The Association."
- Association, how composed. Members.** 2. The Association shall consist of members and associates;
 (a) The members, hereinafter referred to as members, shall be the banks named in the schedule to this Act, and such new banks hereafter incorporated by or under the authority of the Parliament of Canada as become entitled to carry on the business of banking in Canada, and to which *The Bank Act* in force at the time of its incorporation applies. Any bank to which *The Bank Act* applies, carrying on business in Canada, and not named in the schedule to this Act, shall, on its own application, at any time be admitted as a member of the Association by resolution of the Executive Council hereinafter named;
- Associates.** (b) The associates, hereinafter referred to as associates, shall be the bank officers who are associates of the voluntary association mentioned in the preamble at the time this Act is passed, and such other officers of the banks which are members of the Association as may be elected at a meeting of the Executive Council hereinafter named or at an annual meeting of the Association. An associate may at any time by written notice to the president of the Association withdraw from the Association.
- Effect of bank suspending.** 3. Upon the suspension of payment of a bank being a member of the Association, such bank shall cease to be a member: Provided however, that if and when such bank resumes the carrying on of its business in Canada it may again become a member of the Association.
- When associate ceases to be such.** 4. Upon an associate ceasing to be an officer of a bank carrying on business in Canada, he shall, at the end of the then current calendar year, cease to be an associate.
- Objects of Association.** 5. The objects and powers of the Association shall be, to promote generally the interests and efficiency of banks and bank officers and the education and training of those contemplating employment in banks, and for such purposes, among other means, to arrange for lectures, discussions, competitive papers and examinations on commercial law and banking, and to acquire, publish and carry on the "Journal of The Canadian Bankers' Association."
- Sub-sections of Association.** 6. The Association may from time to time establish in any place in Canada a sub-section of the Association under such constitution and with such powers (not exceeding the powers of the Association) as may be thought best.

7. The Association may from time to time establish in any place in Canada a clearing house for banks, and make rules and regulations for the operations of such clearing house: Provided always, that no bank shall be or become a member of such clearing house except with its own consent, and a bank may after becoming such member at any time withdraw therefrom.

Clearing
houses.

2. All banks, whether members of the Association or not, shall have an equal voice in making from time to time the rules and regulations for the clearing house; but no such rule or regulation shall have any force or effect until approved of by the Treasury Board.

Regulations.

8. Members of the Association shall vote and act in all matters relating to the Association through their chief executive officers. For the purposes of this Act the chief executive officer of a member shall be its general manager or cashier, or in his absence the officer designated for the purpose by him, or in default of such designation the officer next in authority. Where the president or vice-president of a member performs the duties of a general manager or cashier he shall be the chief executive officer, and in his absence the officer designated for the purpose by him, and in default of such designation the officer next in authority to him. At all meetings of the Association each member shall have one vote upon each matter submitted for vote. The chairman shall, in addition to any vote he may have as chief executive officer or proxy, have a casting vote in case of a tie. Associates shall have only such powers of voting and otherwise taking part at meetings as may be provided by by-law.

Voting powers.

9. There shall be a president and one or more vice-presidents and an executive council of the Association, of which council five shall form a quorum unless the by-laws otherwise provide.

Officers.

10. The persons who are the president, vice-presidents and executive council of the voluntary association mentioned in the preamble at the time this Act is passed shall be the president, vice-president and executive council respectively of the Association until the first general meeting of the Association or until their successors are appointed.

Officers of
existing
association
continued.

11. The first general meeting of the Association shall be held during the present calendar year at such time and place and upon such notice as the executive council may decide. Subsequent general meetings shall be held as the by-laws of the Association may provide at least once in each calendar year.

General
meetings.

12. At the first general meeting and at each annual meeting thereafter the members of the Association shall elect a president, one or more vice-presidents and an executive council, all of whom shall hold office until the next annual general meeting or until their successors are appointed.

Election of
officers.

13. The president, vice presidents and executive council shall be chosen from the chief executive officers of members of the Association.

Executive
officers.

Executive
council.

14. Unless the by-laws otherwise provide, the executive council shall consist of the president and vice-presidents of the Association and fourteen chief executive officers, and five shall form a quorum for the transaction of business.

Dues.

15. Each member and associate shall from time to time pay to the Association for the purposes thereof such dues and assessments as shall from time to time be fixed in that behalf by the Association at any annual meeting, or at any special meeting called for the purpose, by a vote of not less than two-thirds of those present or represented by proxy.

By-laws
governing
Association.

16. The objects and powers of the Association shall be carried out and exercised by the executive council, or under by-laws, resolutions, rules and regulations passed by it, but every such by-law, rule and regulation, unless in the meantime confirmed at a general meeting of the Association called for the purpose of considering the same, shall only have force until the next annual meeting, and in default of confirmation thereat shall cease to have force. Provided always, that any by-law, rule or regulation passed by the executive council may be repealed, amended, varied or otherwise dealt with by the Association at any annual general meeting, or at a special general meeting called for the purpose.

Power of
executive to
pass by-laws.

2. For greater certainty, but not so as to restrict the generality of the foregoing, it is declared that the executive council shall have power to pass by-laws, resolutions, rules and regulations, not contrary to law or to the provisions of this Act, respecting—

(a.) lectures, discussions, competitive papers, examinations ;

(b.) the journal of the Association ;

(c.) the sub-sections of the Association ;

(d.) clearing houses for banks ;

(e.) general meetings, special and annual, of the Association and of the executive council, and the procedure and quorum thereat, including the part to be taken by associates and their powers of voting ;

(f.) voting by proxy at meetings of the Association and of the executive council ;

(g.) the appointment, functions, duties, remuneration and removal of officers, agents and servants of the Association.

Approval of
Treasury
Board.

3. No by-law, resolution, rule or regulation respecting clearing houses, and no repeal, amendment, or variation of or other dealing with any such by-law, resolution, rule or regulation, shall have any force or effect until approved of by the Treasury Board.

R.C.S., c. 118

17. The provisions of *The Companies' Clauses Act*, being chapter 118 of the Revised Statutes, shall not apply to the Association.

SCHEDULE.

BANKS BEING MEMBERS OF THE ASSOCIATION.

The Bank of Montreal.
The Quebec Bank.
The Molsons' Bank.
The Bank of Toronto.
The Ontario Bank.
The Eastern Townships Bank.
La Banque Nationale.
La Banque Jacques Cartier.
The Merchants' Bank of Canada.
The Union Bank of Canada,
The Canadian Bank of Commerce.
The Dominion Bank.
The Merchants' Bank of Halifax.
The Bank of Yarmouth, Nova Scotia.
The Standard Bank of Canada.
The Bank of Hamilton.
The Halifax Banking Company.
La Banque d'Hochelaga.
The Imperial Bank of Canada.
La Banque de St. Hyacinthe.
The Bank of Ottawa.
The Bank of New Brunswick.
The Exchange Bank of Yarmouth.
The Union Bank of Halifax.
The People's Bank of Halifax.
La Banque de St. Jean.
The Commercial Bank of Windsor.
The Western Bank of Canada.
The Traders Bank of Canada.
The People's Bank of New Brunswick.
The Saint Stephen's Bank.
The Summerside Bank.
The Bank of British North America.
The Bank of British Columbia.

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